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THE EQUALIZATION OF THE SWEDISH BUDGET

BY PROFESSOR GUSTAV CASSEL

The Swedish budget is always drawn up in such a way that revenue and expenditure exactly balance. A surplus or deficit, therefore, cannot arise until the final result of the budget is known. In principle, surpluses and deficits on estimates of revenue and expenditure are regulated by means of a special fund called *statsverkets kassafond,* or the exchequer reserve fund. Any surpluses are transferred to this fund, which, on the other hand, is drawn on to make up any deficits. Thus the net result of the budget is that the exchequer reserve fund is increased or reduced by a certain amount. As a rule, it is so large that it well suffices to cover any deficits which may arise. At the end of the last fiscal year it amounted to no less than 107.2 million kronor.

This method of equalizing the budget is subject to certain exceptions. Some revenue is of such a nature that it is considered desirable to earmark it for certain special purposes. Thus the proceeds of the automobile tax have been reserved for expenditure on roads, whilst certain other special dues are used for the purposes for which they are levied. These items are balanced separately.

By the system just described the Swedish budget year by year is nominally balanced. But, after noting this fact, we still have to face the question, how far this balance is actually attained by taking monies from other years, whether by using savings on grants voted in previous years, or by raising loans for repayment in succeeding years. The first-mentioned procedure is of common occurrence in regard to grants which are no longer required for their original purposes. It sometimes happens also that the budget is drawn up beforehand on the basis of contributions from the exchequer reserve fund, though such a procedure must be regarded as a departure from the intended purpose of that fund. Borrowing is resorted to, in principle, only for grants on capital account, which thus are not expenditure in the strict sense. That is to say, money is borrowed for public ends which are remunerative in so far that they yield an annual income at least equivalent to the interest charges. As a rule, this principle is applied rather rigorously. If the State, for example, constructs a new railway which cannot be expected to pay, the expenditure is put on the "taxation budget", that is to say, it is covered by revenue. If it is estimated that the undertaking in question will yield a return in part only, the grant is met to that extent by borrowing, the remainder being charged to revenue.

The actual yield may, of course, deviate from that estimated. But the so-called "State productive funds" (Government undertakings, etc.) together yield such large returns that they regularly exceed the interest on the national debt. According to the latest budget report, for the financial year 1 July 1934—30 June 1935, the interest charges on the national debt did not run into more than 98.6 million kronor, whilst the revenue from the State productive funds amounted to 140.6 million kronor. This figure, it should be observed, does not include the profit from the Riksbank, which belongs to the State. According to the latest statement of accounts, the national assets, as entered in the State ledger, showed a surplus of 1,257 million kronor in excess of indebtedness. The financial position of the Swedish State is thus singularly good.

The above-mentioned principles for the equalization of the budget were not strictly applied during the economic crisis. Previously existing funds, which had been accumulated for quite different purposes, were heavily drawn on for unemployment relief as well as for certain subsidies, especially to agriculture, and temporary

loans were raised to the same end. When, during the trade depression, borrowing was resorted to in order to meet emergency expenditure, it was resolved that these loans should be amortized in the course of a few years, and special taxes were earmarked for the purpose. After a complete execution of this financial plan, we would find ourselves back in the original position, that is to say, the Swedish treasury would be burdened only with debt set off by profit-yielding assets.

The period of trade depression has thus confronted the State financial policy with a new problem. Nominally, the budget is balanced every year. In reality, however, it has been found impossible to carry out this principle during a severe economic depression. Demands have been made for greater elasticity in the rules governing the equalization of the budget. It is considered that all is well if a complete economic cycle shows a balance, that is, if the good years yield a surplus which will suffice to cover the deficit arising from the bad years.

This principle of equalization can be applied in different ways. Funds can be accumulated in good years for spending in bad years. Or temporary loans can be raised in bad years for amortization in succeeding good years. Both these methods were resorted to during the late economic crisis. The procedure adopted in each specific case was suggested by the temporary emergency rather than governed by a well-considered policy. In such circumstances the question of a rational equalization of the budget over a complete economic cycle has naturally emerged into the foreground. Proposals have in fact been submitted to establish a special "equalization fund" for the purpose.

Formally speaking, this may be regarded as a satisfactory solution, but it does not settle the real problems involved in the equalization of the budget. The popular notion that the State in good times can accumulate a fund to be spent when a depression sets in rests on ideas borrowed from private economy which have no basis in national economy. If the State accumulates a fund, the monies in that fund must be invested somehow, and are thus withdrawn from use in other ways. When the moment arrives for these monies to be drawn on, they are not immediately available. They cannot be "released" without drawing on the current savings of the nation, exactly as is done when a loan is raised. The difference between the two methods is thus by no means so marked as the general public are inclined to suppose. Current expenditure must always be defrayed out of the current income of the nation. When the Riksdag votes certain grants, it by no means creates any new assets for the financial year, but merely diverts the current income of the nation for that year into new channels.

This fact realized, we find ourselves faced with the question how far it is actually possible for the State to counteract an economic depression by means of "grants", and to create larger openings for employment. The financial problem of the equalization of the budget thus expands into the economic problem of the capacity of the State to contribute to an economic recovery. During an economic depression the diversion of money from one use to another obviously cannot in itself increase the total purchasing power of the nation, and thus can scarcely increase the demand for labour. It must be expected that private individuals will reduce their expenditure, either for consumption or for real investments, according as the State takes the money of those individuals in order to create a greater demand for products and labour. This, at any rate, is the result that must be normally expected. Only in very exceptional conditions can the State by means of its grants actually provide larger openings for employment.

The only serious argument that people have been able to advance for such a supposition is that money at the disposal of private individuals will, in some measure, be left unused during a period of economic depression. In previous articles in this Quarterly (April and July 1935) I have shown that "unused" money, in the strict sense, can never exist at all. All money must have some material equivalent. On the other hand, the national economy may doubtless experience a retarded turnover. The efficiency of Government measures for the provision of

work would then depend on whether the State succeeded in accelerating the pace of trade and industry. It is, however, impossible to form a judgment on this question without at the same time considering its monetary aspect. If the central bank creates means of payment and places them at the disposal of the Government for a campaign against the economic depression, the nominal purchasing power will undoubtedly be increased, and it may be expected that the stimulus thus imparted to trade and industry will accelerate the turnover and result in a better utilization of the productive apparatus. This will perhaps increase the velocity of the circulation of money, so that a further increase in the amount of means of payment will be unnecessary. In any case, the possibility of counteracting the depression will be dependent on a liberal monetary policy on the part of the central bank. The lower level of interest which will ensue from such a policy will be in itself such a powerful stimulus to private enterprise that the depression will perhaps be overcome without any other State intervention than that which aims at eliminating direct impediments to such enterprise. The principal question will always be to what extent the State, in its endeavours to provide larger openings for employment, can enlist the cooperation of the central bank.

So long as the general price level remains unchanged, the Government can scarcely be accused of making inordinate use of the monetary mechanism. If the economic depression is connected with a general price decline, and is thus partly due to an abnormal process of deflation, monetary policy may have to aim direct at a price advance which will serve, at any rate in part, to counterbalance the preceding decline. After the abandonment of the gold standard, the Swedish Government and Riksdag agreed to aim at a certain price advance. Such a rise has in fact occurred, in that the general price level, according to the official index, has advanced from about 110 in the months immediately preceding the abandonment of the gold standard to 118 in November 1935. This rise, however, is certainly less than was intended when the Riksdag laid down the monetary policy to be pursued by Sweden. Thus the financing of the measures necessitated by the economic crisis has not led to any inordinate inflation. Indeed, it may be asked whether the abnormal burden of taxation on Swedish industries could not have been relieved by enlisting the cooperation of the Riksbank to a somewhat greater extent than was actually done. In discussing this question, however, the grave danger of going too far in this direction should never be left out of sight. If in political circles the view prevails that money can be created in unlimited amount for the counteraction of an economic depression, the doors will be flung open wide for an uncontrolled inflation, which is bound to devastate both the national economy and the State finances.

We cannot, however, escape from the reflexion that the financing of the measures entailed by the economic crisis in Sweden may have so markedly increased the burden of taxation and so heavily engaged the capital market that trade and industry have been retarded in their progress. A policy of State subsidies is in fact bound to weaken industrial enterprise as well as individual initiative and sense of responsibility. To judge the extent of such injurious consequences defies any exact calculation. This much, however, is clear, that the astonishingly rapid economic recovery in Sweden cannot be attributed solely to the monies voted by the Riksdag and spent by the Government for the campaign against the economic depression. This will become still more manifest if we consider that a somewhat similar policy has been pursued by almost all countries and, in many cases, so far from showing the favourable results which we can boast of in Sweden, is threatening to lead to sheer ruin.

The reasons why Sweden has recovered so rapidly from the economic depression have been the subject of much discussion. We cannot enter at length into this question here. It should, however, be pointed out that Sweden has been particularly favoured by the situation on the world market, which has long kept the price level of our export goods considerably above that of our imports. But, without any doubt, the principal factor in the happy trend of economic devel-

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opment in Sweden is the sound monetary policy which, besides providing security against any continued deflation, has imparted some stimulus to trade and industry in the shape of a rising price level, at the same time rendering it possible to maintain a stable rate of exchange for the pound sterling. The satisfactory results which we have attained with this monetary policy merit attention in the world-wide discussion on these matters, particularly on the part of those countries which have looked for their salvation to a continued policy of deflation.

The observations made above show that an economic revival cannot be attained solely by a nominal equalization of the budget, but involves more deep-lying problems of national economy. Among these problems are the numerous difficulties encountered in carrying out the plan of recovery in due time. The State machinery operates too slowly to enable public works, intended to counteract a depression, to be started betimes. And once started, the authorities are always reluctant to stop them. The special works organized by the State are in fact continued so long that they tend to intensify the ensuing boom and inordinately force production in certain fields, thus leading to fresh disturbances in the economic equilibrium.

Furthermore, the rapid repayment of temporary loans in the course of a following period of revival — this being the second phase in the equalization of the Swedish budget —, presents difficulties which have scarcely received sufficient attention. The severe taxation entailed by these repayments may seriously delay industrial recovery. If an economic depression is beginning to give way, this nowise signifies that the time is ripe for the tightening of the market and for the deflation which is liable to follow on a marked reduction of the national debt. In Sweden the repayment of the emergency borrowing has already begun, and this at such a pace that the risk of retarded progress is by no means ruled out. And yet it is all too probable that these loans will not have been completely repaid before the next depression sets in. Nor should the question of the repayment of emergency loans be judged solely from the point of view of the State finances. The maintenance of the State fortune at the same high level is not, in all circumstances, a crucial test of the wisdom of a financial policy, from a broad economic point of view, least of all for a State like Sweden which has such large net assets. In any case, the repayment of such loans is a complex and important problem, which merits more careful attention than it has hitherto received.

These observations on the equalization of the Swedish budget show how narrow are the limits of a State policy of economic recovery, and how imperative it is that such a policy should be thoroughly considered from every point of view and in all its economic bearings.

SKÅNSKA CEMENT A. B. AND THE SWEDISH CEMENT INDUSTRY

Though Portland cement was invented, in England, as far back as 1824, is was not till about 1850 that the new product began to be brought into fairly general use, and thus to assume real industrial importance. This importance became marked at the beginning of the eighteen-seventies. It was then that Skånska Cement A.B. was founded and the first cement works in this country erected.

Portland cement is made by burning to sinter temperature a finely ground mixture of raw materials, containing chiefly carbonate of lime and silicic acid as well as compounds of alumina and iron in minor amounts. After calcination the resulting clinker is ground. The raw materials suited for the manufacture of cement are occasionally found in nature with approximately the required chemical composition; in other cases, however, it is necessary to mix different materials. As regards Swedish cement works, those at Hellekis and Slite in particular have the advantage of access to a raw material which requires but little adjustment in order to produce a good Portland cement. The works in Scania, on the other hand, such as those at Limhamn and Klagshamn, are dependent on supplies of raw materials of the latter character. They use a limestone with a high percentage of carbonate of lime, which is mixed with a certain amount of clay.

Supplies of raw materials adapted for the manufacture of cement are doubtless to be found in all countries. But the prospects of the economic success of a cement industry based on a certain deposit of raw materials are dependent on a variety of factors, such as the composition of the deposit, the hardness of the material, the thickness of the layer of earth which usually covers the deposit, and the situation of the deposit in relation to existing transport routes.

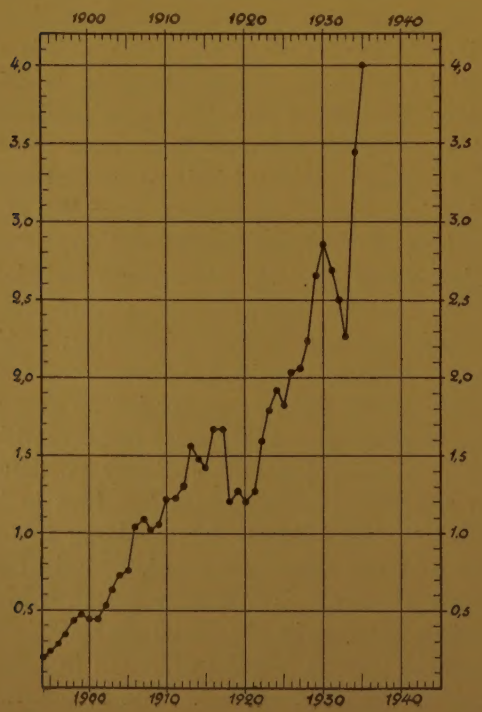
Cement is a cheap commodity. In Sweden the average price to the consumer, inclusive of containers and freight, is about 45 kronor a ton. This is about one-third of the price of commercial iron. Owing to the low price of cement, the size of the works and thus also the possibilities of concentrating the cement industry, are restricted by the costs of transport. Where there are no facilities for cheap transport by sea the area within which the products of cement works can be sold at a profit is considered to be confined to a radius of about 150 kilometres. In view of this circumstance, such large units as, for example, in the iron industry do not occur. The Swedish cement works are therefore comparable with foreign establishments: the immense difference in size which exists, for example, between Swedish iron works and the largest works in foreign countries is not to be found in this branch.

The cement industry is of an unusually uniform character. It is estimated that between 90 and 95 per cent. of the cement sold in Sweden is ordinary Portland cement, which is made by all the Swedish cement works in practically the same quality. In addition, some kinds of cement for special purposes have been produced in recent years. These kinds of cement may be divided into two main groups, namely (1) modifications of Portland cement and (2) so-called aluminous cement. The first group includes the Swedish "special cement", whose chief property is that it hardens more rapidly than ordinary Portland cement, and is therefore suited for use in works which have to be carried on at a pressure. Another brand is silicate cement, which is more slow-hardening than ordinary Portland cement and therefore generates less heat in hardening. It is used chiefly for moulding structural works of large size. Yet another kind of slow-hardening cement is "pansarcement", which is intended for use in the construction of dams. Aluminous cement is quite different in composition from Portland cement. The aluminous ce-

ment which is made at Rute on the island of Gothland, under the name of "smältcement" (melted cement) is very quick-setting. It attains full concrete strength after 24 hours, and is used in works where this proporty is of importance.

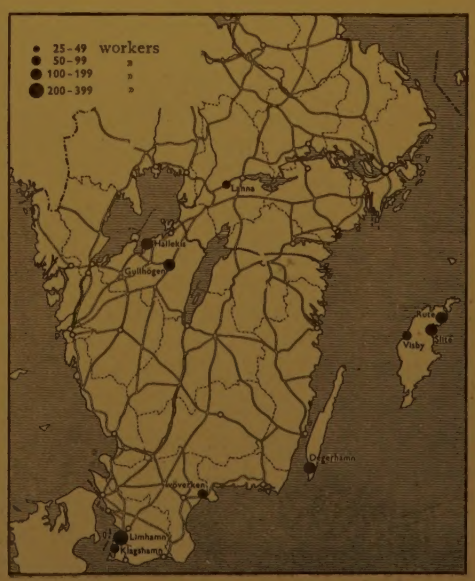
The consumption of cement during the period from 1894 to 1935 is shown by the appended diagram. Though the consumption of cement is greatly affected by the economic situation, it should be noted that, owing to the general tendency towards an annual increase in consumption, the decrease in periods of trade depression is less marked than it would otherwise have been. Thus the diagram shows a rather moderate decline during the last two economic crises. The fact that this decline continued in 1933 is due to the protracted labour dispute in the building trade in that year. The settlement of that dispute entailed an immense increase in the consumption of cement in 1934. This increase may be considered, in some measure, to have been the automatic reaction to the cessation of building activity caused by the labour dispute. It should be observed, however, that there has been a new, very marked increase in the course of the present year. Between the year 1910, when the consumption of cement in Sweden was somewhat more than 1,200,000 barrels, and 1935, when it has been estimated at about 4,000,000 barrels, there has been an increase of over 230 per cent. It may be mentioned, by way of comparison, that the estimated increase in the domestic consumption of commercial iron is about 150 per cent. in the same time. It should be noted that the last-mentioned figure includes iron which has been exported in the shape of ships or machinery, whereas the entire quantity of cement consumed in Sweden has remained within the country. Despite this marked increase in the consumption of cement in Sweden, it is still on a rather small scale compared with that of many other countries. The average consumption of cement during the years 1928—1934, reckoned in kilograms per year and head of the population, was as follows: in the United States 172, Belgium 160, Holland, 113, France 109, Denmark 100, England 91, Italy 81, Sweden 74, Germany 71, Finland 62 and Japan 56. In 1928 the consumption in the United States rose to over 250 kg. per head of the population, but fell in 1933 to about 85 kg. This shows how markedly the consumption of cement is affected by the economic situation.

The Consumption of Cement in Sweden in Million Barrels at 170 K:os.



The cement industry, in the course of the years which have elapsed since its origin, has

The Location of the Cement Works.



undergone very important technical developments. They extend to all the processes involved in the manufacture of cement, notably the working up of the raw material, the calcination into clinker, the grinding of the clinker, and the packing and loading of the finished cement. These developments may be illustrated by a brief description of the works of Skånska Cement A.B. and the changes which they have undergone.

The first cement works were erected at Lomma in 1871. The method of manufacture adopted there was the so-called wet process, in which the raw material is ground with the admixture of water. The calcination of the brick-shaped raw material was carried out in cupola furnaces, which operated intermittently. The output capacity of these works during the first normal year of operation, in 1875, was 40,000 barrels. The works at Limhamn, which were planned in 1888, were constructed from the outset for an annual capacity of 120,000 barrels. Here the raw material was ground in the dry state, and the calcination was performed in a continuously operating annular kiln. The works at Lomma were closed down in 1905. The output capacity of the Limhamn works was at the same time increased to 350,000 barrels per annum.

When the extension of the Limhamn works was under consideration in 1906, a new type of kiln had been produced, namely the rotary kiln, and the enlarged works there were equipped with four of those kilns. They were 30 metres in length, and each had an output capacity of 100,000 barrels per annum. In 1913 it once more became necessary to enlarge the works at Limhamn. By this time considerably larger rotary kilns had been constructed, and the new plant was equipped with two such kilns, with a length of 75 metres each. They were originally built for an annual output of 400,000 barrels per kiln. Their capacity has subsequently been increased by various improvements, and has now risen to 600,000 barrels annually per kiln.

Similar developments have taken place in the other Swedish cement works. Entirely new cement works were planned at Hellekis in 1929, to be erected close to the old works, and to be equipped with two rotary kilns, 95 metres in length, with an aggregate estimated capacity of 1,000,000 barrels per annum. For the time being, however, only one kiln was erected: it was completed in June 1931. Since then it has been continuously in operation, with very satisfactory results. The company have recently decided to erect the second kiln at Hellekis.

Technical developments have thus led up to larger units in mechanical equipment, which has entailed considerable savings in wages, fuel and power. As an example of this tendency towards great simplicity, it may be mentioned that, whereas the old Hellekis works, which were equipped with four kilns and 25 crushing machines of different types, had an annual capacity of only 340,000 barrels, the new works, with one kiln and three crushing plants, have, as previously mentioned, an annual output capacity of 600,000 barrels. In the rotary furnaces of the original type the heat required for burning amounted to 3,500 calories per kilogram of clinker. In 1934 the consumption of coal in the rotary kilns at Limhamn and at the new works at Hellekis had been reduced to 1,800 and 1,650 calories respectively. In 1929 the number of recorded working hours at Hellekis, per barrel of cement, was 1.46, and the consumption of power 21 kWh per barrel; in 1934 the corresponding figures were 0.69 and $16^1/_2$ respectively.

This simplification and concentration of the manufacture has resulted not only in a marked cutting down of the costs of labour, but also in a great reduction of the costs of repairs and maintenance. On the other hand, the new plants have required larger investments of capital. It should further be observed that, thanks to subsequent inventions and improvements, the possibilities of thoroughly controlling the process of manufacture have increased to such an extent that the company are now in a position to manufacture cement which corresponds exactly, without any variation whatsoever, to the intended quality.

These developments have not been confined to the actual equipment of the cement works, but have extended also to the apparatus for the extraction and preparatory treatment of the raw material. The most modern establishment

for this purpose in Sweden is the new crushing and sorting plant at Limhamn, which was put into operation in 1935.

At the Limhamn limestone quarries there are two electrically operated excavators, which load the rock on cars holding 13 tons each. The capacity of these machines is such that only one of them is required for normal operations, the other being intended as a reserve. The crushing plant is situated at the bottom of the quarry, whence the crushed material is transported on belt conveyors, through an inclined tunnel, up to the screening and sorting plants, which are on the surface. From the bins of the sorting plant the material is drawn off straight into railway trucks for conveyance to the cement works. The amount of rock handled at this establishment in eight hours averages 1,600 tons.

The chemical composition of cement has been discovered by degrees, and it is only at a comparatively late date that it has become thoroughly known. Numerous experimental investigations have been conducted by institutes for cement research and individual investigators. Thanks to these researches, the many speculative theories on the subject have been superseded by scientifically ascertained and well tested facts. In this field Skånska Cement A.B. have made considerable contributions. The laboratories installated at each of the cement works were supplemented in 1930 by the establishment of a central laboratory at Limhamn. This laboratory not only serves to assist the individual cement works in the solution of difficult technical problems, but also carries on extensive research work in regard to cement itself and to concrete. The laboratories are superintended by the well-known scientist, Dr. Lennart Forsén.

Though the Swedish cement industry has passed through many difficult times, the earlier establishments, which have been well managed throughout, have been able to reduce the book value of their plants and to yield a fair profit. The above-mentioned technical progress has entailed very considerable writing-off, as a cement plant gets out of date rather rapidly. It has been estimated that the initial costs of modern cement works, inclusive of plant for the excavation of the raw material (but exclusive of housing accommodation etc.), figure at 9 to 11 kronor per barrel, annually produced. If we glance at Skånska Cement A.B.'s statement of accounts for 1934, we shall find that the establishments at Limhamn and Lomma are entered on the books at an aggregate value of 5.7 million kronor, whilst the output capacity of these works is at present 1,250,000 barrels per annum. The two rotary kilns at Limhamn, however, were ordered in 1913, and must therefore already be regarded as no longer quite modern. The kilns at Hellekis and Klagshamn are more up to date. The establishment at Hellekis, so far as relates to the cement industry, is at present booked at a value of 3.2 million kronor. After the installation of the second rotary kiln, mentioned above, the book value, inclusive of plant for the excavation of the raw material, would be about 5 million kronor. This is not a large figure for thoroughly modern works with an output capacity of 1,250,000 barrels per annum.

As already mentioned, the first cement works in Sweden were those established by Skånska Cement A.B. at Lomma. These works were put up in 1871, but were closed down some thirty-four years later and superseded by the establishment at Limhamn. Another establishment, at Visby in Gothland, erected in 1883, started operations in the following year. These works were subsequently enlarged, and now have an output capacity of 350,000 barrels per annum. The Öland cement works, set up in 1886, have the same capacity. The original works at Hellekis were erected in 1891, and in 1898 another establishment was put up at Maltesholm. The cement works at Klagshamn, completed in 1902, now have a capacity of 450,000 barrels per annum. The works at Ifö (see below) were brought into operation in 1908. Their present capacity is 250,000 barrels a year. Cement works set up at Valleviken, in the Rute district, on the island of Gothland, in 1916 were brought into operation in 1920. In 1917 cement works were erected at Slite on the east coast of Gothland. These works have excellent supplies of raw materials, and a splendid situation on a fine harbour. Their present capacity is 800,000 barrels per annum. The Gullhögen works (competitors of the cement cartelle), near Skövde, were completed in 1925; their present capacity

is some 600,000 barrels a year. Finally smaller cement works, with a capacity of only 75,000 barrels a year, were put up at Lanna, in the County of Örebro, by the Cooperative Society in 1931.

The expansion of Skånska Cement A.B. in the course of the last twenty-five years, and the manner in which it has acquired such a dominant position in the Swedish cement industry that its present share in the Swedish cement cartelle is about 90 per cent., may be briefly described as follows:

In 1909 Skånska Cement A.B. together with other Swedish cement works acquired a controlling interest in the Ifö cement works, which were then in bankruptcy. In 1925 the company acquired the total share holding in the Ifö works, reorganized them, and extended their financial interests in the porcelain industry. In 1915 the Hellekis company was absorbed by Skånska Cement A.B. In 1921 the company acquired A.B. Karta & Oaxens Kalkbruk, which had large interests in deposits of limestone on the island of Gothland. The works at Maltesholm were amalgamated with the company in 1925. The controlling interest in the cement works at Visby and Slite was acquired in 1930 and 1931 respectively. Through Cementa (the cartelle mentioned below), the company in 1932 acquired the Valleviken cement works, where the manufacture of Portland cement was afterwards abandoned. These works now confine themselves to the manufacture of the previously mentioned brand of alumina cement "smältcement". In 1933 the company leased the works of the Cooperative Society at Lanna, and in 1934 the Klagshamn works. The Hellekis works, as above mentioned, are being considerably enlarged, whilst the porcelain works at Ifö and Lidköping are being extended. After these acquisitions and fusions, Skånska Cement A.B. now control all the Swedish cement works belonging to the cartelle (see below), with the exception of the Öland cement works. Only one of the Swedish cement works, those at Gullhögen, are outside the cartelle.

The cement industry, largely owing to the fact that the demand for cement fluctuates according to the economic situation, has passed through many vicissitudes. It should further be noted that new cement works have, as a rule, been started in periods of boom, and that some of them have been brought into operation in times of depression. This, for example, was the case with the first works erected by Skånska Cement A.B. (at Lomma), which were completed in 1873 and enlarged in 1875. When the new works at Klagshamn were completed in 1902, there was an over-production of cement on the world market, which resulted in a very sharp fall of prices. Owing to the large capital expenditure and other fixed costs of the cement industry, there is always a great temptation to meet a fall of prices by increased output at lower costs.

Svenska Cementförsäljnings A.B. (Cementa) was founded on the 2nd January 1893. It was a combine of the three Swedish cement companies then existing, namely Skånska Cement A.B., Ölands Cement A.B., and A.B. Visby Cementfabrik. The quotas of these companies in the cartelle were then 13, 5 and 3 respectively. The Hellekis cement company joined the cartelle at the beginning of the following year, its quota being 3. Several Swedish cement companies have at times been outside the cartelle and have sharply competed with it. This was particularly the case with the company owing the Klagshamn works, completed, as above mentioned, in 1902, which did not join the cartelle till two years later. The present quota of Skånska Cement A.B. together with its subsidiaries is somewhat more than 90 per cent.

Cementa, as the cartelle is generally called, organizes all sales of cement on behalf of its members, both on the domestic market and abroad. The cartelle at first arranged its sales mainly through middlemen. But, in order to take advantage of the continuous improvements in communications, and with a view to a desirable reduction of prices, the sales were radically reorganized in 1929. Arrangements were made for direct sales to local dealers and certain large consumers. The clientele of the sales company at present comprises some 2,000 dealers and about 300 large consumers. The export sales of the cartelle are transacted chiefly through Holmberg, Fassbender & Co., Stockholm, and also

through agents in London, Hamburg and Lithuania. The export quota in the total sales has in recent years shown a marked reduction.

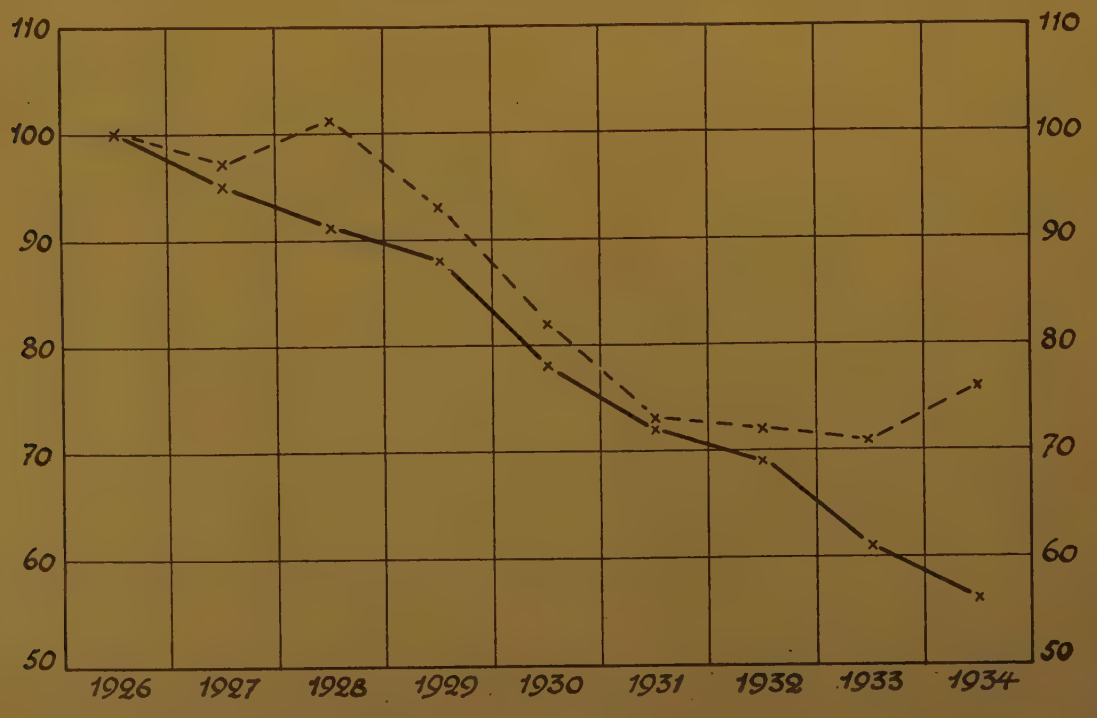
In addition to the above-mentioned domestic cartelle, binding agreements have been concluded from time to time for cooperation with *foreign cement works*. Thus in 1895 an agreement between the north German and Scandinavian cement works was conluded under the name of Verband skandinavischer Portland-Zementfabriken. In 1904 this agreement was superseded by a new one, which remained valid for several years. On various occasions agreements have been concluded between Cementa, on the one hand, and Danish, Norwegian and Finnish cement works, on the other, in accordance with which the parties have engaged not to encroach on each other's domestic markets. There are no actual agreements of this kind at present, but there still exists a friendly understanding between the producers in the adjacent countries. In 1928 an agreement was concluded with Poland, the purport of which was to restrict the sales of Polish cement on the Swedish market during the years 1929—1932.

The above-mentioned friendly understanding with the cement companies in the neighbouring countries has not entirely stopped the importation of cement from those countries to Sweden. These imports, generally speaking, have been on a minor scale. In certain years, however, they have been larger, as notably in 1929 and 1934, when they amounted to 273,000 and 265,000 barrels respectively.

The export of Swedish cement has shown great fluctuations. In 1913 it amounted to 789,000 barrels. During the war it ceased almost completely, in order in 1926 to reach the record figure of 901,000 barrels. Since then it has greatly diminished.

At present the exports figure at about 150,000 barrels per annum. Export facilities have in fact been considerably restricted firstly by the establishment of a domestic cement industry in an in-

Comparison between the Changes in the Cement Prices and those of the General Price Level in the Years 1926—1934.



——— Index Numbers for the Selling Prices of the Cement Works (1926 = 100).
– – – – Wholesale Price Index of the Board of Trade (1926 = 100).

creasing number of foreign countries, and secondly by tariffs or other trade barriers. Russia was for many years the principal export market. During the great war this market was completely lost, but this loss was partly compensated for after the war by exportation to the neighbouring countries. In the eighteen-nineties there was a rather considerable exportation to the United States, a great deal of Swedish cement being used at one time in the city of New York. Certain export markets in Asia and Africa were opened up by attempts made at one time to organize cooperation between the cement companies and the timber exporters, Swedish cement being carried as ballast on ships loaded with timber. These markets, however, have gradually lost their importance. The regular overseas shipping lines, especially to South America, have provided certain facilities for the export of cement, cheap transport being a sine qua non, and cement a suitable filling. It seems scarcely necessary to enter more fully into this subject, in view of the diminished importance of the export of Swedish cement in recent years. This is largely due to the very marked increase in the domestic consumption of cement and, to some extent, also to the greater steadiness of that consumption. Whereas in 1926 the export represented about 45 per cent. of the total consumption of Swedish cement, the corresponding figure for 1935 is merely 4 per cent. Seeing that export prices have always been considerably lower than domestic prices, exportation is economically warranted only as a means of disposing of the surplus output of the cement works.

Though the seasonal fluctuations on the Swedish cement market have been somewhat lessened by new methods of building, they are still rather considerable. The season is during the months from April to October inclusive, more than 75 per cent. of the sales are as a rule made during these seven months, at the rate of 10 to 12 per cent. a month. The slack season is the first quarter, when the sales, as a rule, do not amount in the aggregate to more than about 10 per cent. of the total sales for the year.

The extent to which cement is used for various purposes is indicated by the following rough estimate, relating to the year 1932: for house building 44 per cent., for agricultural purposes 14 per cent., for engineering works 21 per cent., for cement products 10.5 per cent., and for miscellaneous purposes 10.5 per cent. An entirely new use has arisen in recent years, namely for paving. The consumption for the last-mentioned purpose is estimated at present at about 4 per cent. of the total consumption in the country.

Prices on the Swedish cement market, setting aside the war period, have, broadly speaking, shown a falling tendency. Thus, from 1908 to 1913, when the general level of Swedish wholesale prices showed a distinct rising trend, there was a considerable decline in cement prices. The tendency during the years from 1926 to 1934 is indicated by the appended diagram. Thus, despite the power yielded by the Swedish cement cartelle, cement prices in Sweden have been steadily falling, both before and after the war. In these circumstances, it is scarcely surprising that cement works erected in periods of boom, especially during the great war, should have sustained large losses of capital, which, in one or two cases, have led to bankruptcy. Also other cement works have at times been in considerable embarrassment.

Skånska Cement A.B., however, have been favoured in this respect. From 1878 onwards, setting aside the years 1881, 1888—1889, and 1892—1893, a dividend has been paid regularly. Since 1902 the dividend has ranged between 10 and 15 per cent., and has shown remarkable stability. During the post-war crisis the dividend never fell below 10 per cent., nor did it drop below that figure during the late economic crisis. As for the other Swedish cement companies, several of them have never paid any dividend at all, whilst others have done so only at times.

The above-mentioned steady fall in the prices of cement — which, however, came to an end in 1935 —, has kept down the margin of profit, despite the fact that the costs of production have been continuously cut down by rationalization and the erection of new plants. It is not possible directly to ascertain the profit per barrel of cement from the company's statement of accounts, for one reason because also other bran-

ches of manufacture are included in the accounts. On a rough calculation, however, it may be estimated that the profit in 1913 and 1929 — taking two representative years was about 1 krona a barrel. In this calculation of profit an attempt has been made to figure out the necessary deduction for dividends, leases and interests, allowing for a proportionate share in taxes and general costs. A similar calculation for the year 1934 shows a profit of merely 45 öre per barrel on the actual cement business. In fact, owing to the rapid technical progress of the cement industry, involving, as it does, the frequent renewal of plants, large sums have to be written off for depreciated assets.

Skånska Cement A.B., in the course of years, have cooperated in the foundation of various affiliated companies, whereby their business operations have been extended to various allied branches. In 1880, with a view to securing a wider market for cement, works for the manufacture of floorings were erected at Malmö. These works gradually developed into *A.B. Skånska Cementgjuteriet,* who have long been the leading contractors in Sweden. This company has a capital of 2.8 million kronor, of which Skånska Cement A.B. own nearly half. Skånska Cementgjuteriet, in the course of years, have executed a large number of important works in various branches, including buildings for industrial establishments and power, harbour works, railway buildings and, in recent years, also road works. Skånska Cement A.B. have also an interest in *Skandinaviska Eternit A.B.,* at Lomma, founded in 1906.

The limestone business has given rise to several undertakings. The limestone deposits at Limhamn were at one time owned by A.B. Förenade Kalkbrotten at Malmö, in which there were also Danish financial interests. In 1916 this company passed completely into the hands of Skånska Cement A.B.; on its dissolution in 1920, the assets were taken over by the parent company. In 1907 Skånska Cement A.B., jointly with Faxe Kalkbrud and Karta & Oaxen, founded *A.B. Gotlands Kalkverk.* The latter company is now owned jointly, on an equal basis, by Skånska Cement A.B. and Faxe Kalkbrud.

From 1890 to 1907 bricks were manufactured at Lomma on a rather large scale, the annual output ranging between 8 and 10 million bricks. This business has since been reduced in scale, but is still carried on as a separate branch, as also the lime works at Limhamn and the stone and lime works at Hellekis.

A.B. Iföverken are now the most important of the companies affiliated to Skånska Cement A.B. This business originated at the end of the eighteen-eighties, when a lime-kiln was erected. It happened, however, that a layer of kaolin — a china clay of rare occurrence in this country — was discovered beneath the limestone. This discovery gave rise to a manufacture of firebrick, based on kaolin. As the extraction of the clay involved also an extension of the limestone quarrying, it was decided, in 1907, to erect cement works for the exploitation of the limestone. An economic crisis having supervened on this expansion, the company stopped payments in 1909. The business was purchased by the companies belonging to Cementa, and was divided into two separate companies. These latter, in turn, were fused into A.B. Iföverken, all the shares in which are now held by Skånska Cement A.B. and its subsidiaries.

The cement works at Ifö are now on a minor scale. The company are reputed firstly for their manufactures of firebrick, secondly, and perhaps especially, as makers of insulators and electro-technical porcelain, a branch which was taken up in 1918—1920. The company, however, have extended their operations in the porcelain branch also in another way. They now hold about 70 per cent. of the shares in *A.B. Rörstrands Porslinsfabriker,* whose works are situated at Gothenburg and Lidköping. Entirely new works are now being erected by this company at the last-mentioned place for the manufacture of household china; their estimated cost is from $1^1/_2$ to 2 million kronor. A.B. Iföverken moreover hold the entire share capital in *Ifö Keramiska A.B.,* founded in 1930, manufacturers of sintered floorings.

In recent years the works at Ifö have been enlarged on a considerable scale; a large new plant has been erected, and a modern manufacturing town laid out. The Ifö works now employ about 1,050 hands, being an increase

of about 20 per cent. as compared with the same time last year. The output of firebrick is at present 16,000 tons per annum. The output of electro-technical porcelain, of which this company are the sole makers in Sweden, is about 2,000 tons a year. The development of this branch of manufacture has been favoured by the electrification of railways and the extension of power works. The biggest customers are the State Railways and the State Hydro-Electric Works, which have shown great interest in this new Swedish industry. The manufacture of insulators was taken up in competition with the large factories in Germany and the United States.

The Ifö works manufacture a great variety of articles of electro-technical porcelain, from condenser ducts, a couple of metres in height, down to the ordinary fusible cut-outs. Insulators for high-tension lines are, however, the principal article. These insulators are tested in a room specially fitted up for the purpose, with a tension of up to 500,000 volts.

The burning of electro-technical porcelain is now carried on chiefly in a tunnel furnace, installed in 1933. In view of the rapid development of this manufacture, another such furnace will now have to be procured.

New works have also been erected for the manufacturing of china for sanitary purposes. This likewise is, in the main, a new domestic manufacture. China of this kind is at present being imported on a considerable scale, chiefly from Germany, England, the United States and Finland, with an aggregate value of $1^1/_2$ to 2 million kronor per annum.

The manufactures of the Ifö works, together with those of their subsidiary, Ifö Keramiska A.B. — whose output of floorings is on a scale of some 6,000 tons per annum —, are now estimated to have a value of nearly 6 million kronor, this being the figure for 1935. When the above-mentioned new plants are completed, the output will certainly be on a still larger scale.

A.B. Iföverken, after making due provision for regular writing-off and for the consolidation of the company also in other respects, have, since 1929, paid a dividend of 10 per cent. Ifö Keramiska A.B., after due writing-off, have paid a dividend of 6 per cent. for 1934. — The factory premises of the Ifö works have at present a floor space of about 40,600 square metres.

Some years ago Skånska Cement A.B. formed another company, named *A.B. Betongklinker*. The latter own works, situated in the environs of Stockholm, for the manufacture of a porous material of gravel type, used as an ingredient in the moulding of concrete with a lower specific gravity than ordinary concrete. In 1935 this branch of manufacture was taken up also at Hellekis, where the old rotary kilns have been adapted for the purpose.

Finally, it may be as well to mention that Skånska Cement A.B. at one time held a number of preference shares in Pargas Kalkberg A.B. in Finland. This share holding, however, was sold in 1926 and 1927. In 1922 the company acquired an interest in *Port Kunda Cementfabrik* in Estonia, and in 1931 a small block of shares in *Rigaer Zementfabrik*.

The prosperity of Skånska Cement A.B. and the remarkable steadiness of its profitability must be attributed, in no small measure, to the management of the company. It has shown a singular continuity. The founder of the company, and its first managing director, R. F. Berg, held that post from 1873 to 1907. On his death in that year, he was succeeded by E. Wehtje, who had been associated with the company since 1891.

It was under the management of Mr Wehtje, being the second important phase in the annals of A.B. Skånska Cement, that the company developed into a big undertaking.

Thanks to the wisdom and foresight with which the company has been managed, and owing to the admirable cooperation between the producers both in Sweden and abroad, in accordance with the policy persistently pursued by the managers, Skånska Cement A.B. have attained a very strong and well consolidated position.

The shares in Skånska Cement A.B. have been listed on the Stockholm stock exchange since 1900, and are thus among the very oldest Swedish stock-exchange securities.

HOUSE BUILDING AND THE ECONOMIC SITUATION

BY BERTIL NYSTRÖM, CHIEF OF BUREAU OF THE LABOUR BOARD.

In the "World Economic Survey 1934—35", recently published by the Information Section of the League of Nations, it is pointed out that the general economic recovery, which for about two years has been characteristic of the sterling bloc countries, is for the most part closely connected with the revival of building activity. This has been particularly the case in England, where the housing boom, as an economic lever, has attracted much attention. This matter is discussed in a couple of articles in the "Economist", which observes that, whilst building for industrial and commercial purposes has barely shown any increase above the level of 1929, house-building has been more than doubled, being at the rate of some 300,000 dwellings a year. This boom is partly due to falling interest rates and reduced building costs. But the principal factors are, it is considered, the formation of a large number of households and the larger spending power of the great mass of consumers, which in turn is due to a considerable reduction in the cost of food and clothing, whilst wages, broadly speaking, have remained stable, so that more money has been available for housing purposes. It is expected that this larger spending power will not be so seriously impaired in the immediate future that the basis of the present housing boom will be markedly affected, especially as rehousing on a large scale is anticipated, in connexion with the campaign organized by the Government and municipalities against the slums and overcrowding.

These considerations merit attention also in Sweden, though the situation and conditions here are, in certain respects, different. It should particularly be noted that in England barely one-tenth of the population live in rural districts, in Sweden nearly two-thirds. How the rural population are housed is officially known only in part, on the basis of certain special investigations; continuous statistics are not available, owing to the absence of official control of building in agricultural districts. In these parts of the country, however, there are at least one million dwellings, and, even if the stagnation in the growth of the population is taken into account, the annual increase in house-building can scarcely be put at a lower figure than 1 per cent. This would correspond to some 10,000 dwellings per annum, at an aggregate cost of at least 40 to 50 million kronor, a figure which would certainly be more than doubled, if service quarters, repairs etc., were taken into account.

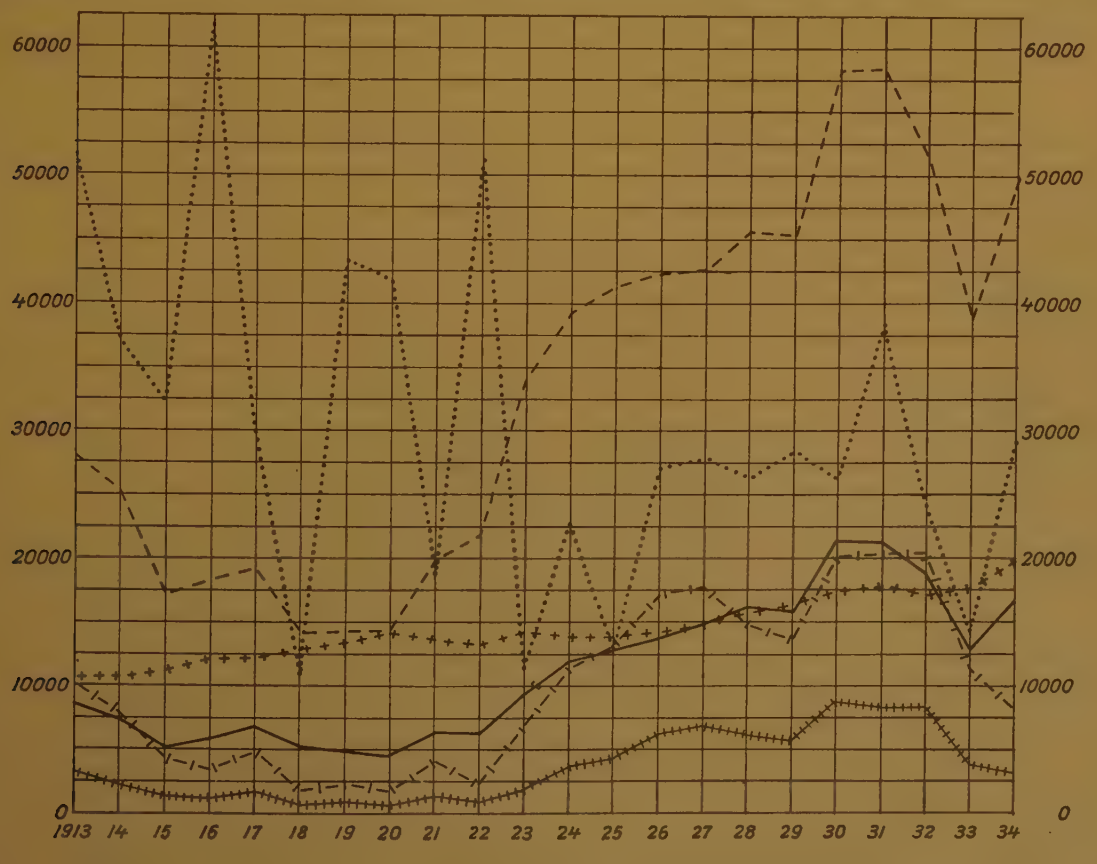
For more than thirty years the Government have advanced loans on favourable terms to persons of small means in the country districts in aid of the building or acquisition of self-owned houses (homesteads). The number of houses annually built or acquired in this way is about 4,000, representing loans aggregating to nearly 20 million kronor, and a total value probably exceeding 30 million kronor. Only about half these "own homes", as they are called, have been built on previously unoccupied sites. In recent years, however, these new settlements have been eked out by several hundred small holdings, financed out of a special fund, and intended for forest labourers or other seasonal workers.

It should, however, be noted that in agricultural districts, where the birth-rate is falling, the need of re-conditioning is greater than that of new building. During the economic depression which has set its mark on agriculture almost since the end of the great war, the farmers have been obliged, in large measure, to neglect the maintenance and improvement of their dwellings, as well as of those of their agricultural labourers. Chiefly for this reason, but also because the

general unemployment had begun to make itself felt also in the country, the Riksdag in 1933 voted a grant of 10 million kronor for the improvement of the dwellings of persons of small means in rural districts. In virtue of grants voted at the 1934 and 1935 sessions, this amount was increased to 33 million kronor, about four-fifths of which is payable in the form of State contributions towards improvements, without obligation to repay, and the remaining fifth in the form of loans for new building. This sum is estimated to suffice for the re-conditioning of some 45,000 dwellings at a total cost of approximately 65 million kronor; about half this amount would thus be paid out of the pockets of private individuals. The recent improvement in the profitability of agriculture may be expected to entail an increase in the contributions of private individuals towards re-conditioning, but also a readjustment of the system of State aid.

Though the figures quoted indicate that in estimating the amount of capital required for building, the rural districts should by no means be overlooked, the economic centre of building activity lies, of course, in the *towns*. As regards the latter a more complete basis of calculation is available in the form of (1) periodical stock-taking of the total existing number of dwellings, and (2) continuous statistics of house-build-

Diagram I. House-building and Increase of Population in the Urban Districts of Sweden 1913—1934.


60000
50000
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1913 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
Dwellings built in all Urban Districts (towns and other "controlled" areas).
» » in Stockholm.
Rooms built in all Urban Districts.
» » in Stockholm.
Increase of population in the towns.
Marriages in the towns.

ing in towns and urban communities. The new laws on the subject of building control (issued in 1931) show a tendency to extend official control to all thickly populated communities. Thus the statistics of building activity published by the Swedish Labour Board for the year 1934 comprise, in addition to 343 towns and urban communities, 251 other communities. In these 594 places, taken together, there are about 700,000 dwellings, occupied by some 2,500,000 persons.

In diagram I, which is intended to show the development of house-building since 1913 in connexion with the population trend, the comparative figures comprise only 273 places, representing nine-tenths of the house-building in recent years. The dominant importance of Stockholm is shown by the fact that about one-third of the total annual increase in the number of dwellings falls to that city. In view of the higher value of houses in the Capital, taken as units, this increase corresponds to nearly half of the total building costs (for the peak years 1930—1932 it is estimated at about 120 million kronor out of a total of about 270 million kronor).

In order to obtain an index for the extent of house-building relatively to the requirements, the existing number of rooms (incl. kitchens) is compared with the numbers of the population at certain periods, or, reversely, the growth of the population with the annual increase in the number of rooms. It will be seen from Diagram II that during the period 1913—1920, when, owing to the restrictions of the war and its aftermath, house-building was on a minor scale, only about half a room fell to each new individual; for the years 1920—30 the proportion had risen to $1^1/_2$, and for 1930—34 to nearly 2 (These periods, however, do not afford a quite exact basis of comparison). On the other hand, the growth of the population had, to some extent, changed its character. About the year 1913 the major part of the growth of the population was due to the excess of births over deaths. The birth-rate, however, subsequently fell to such an extent that the excess of births represented merely one-tenth of the growth of the population, the major part thereof being due to an excess of immigration over emigration.

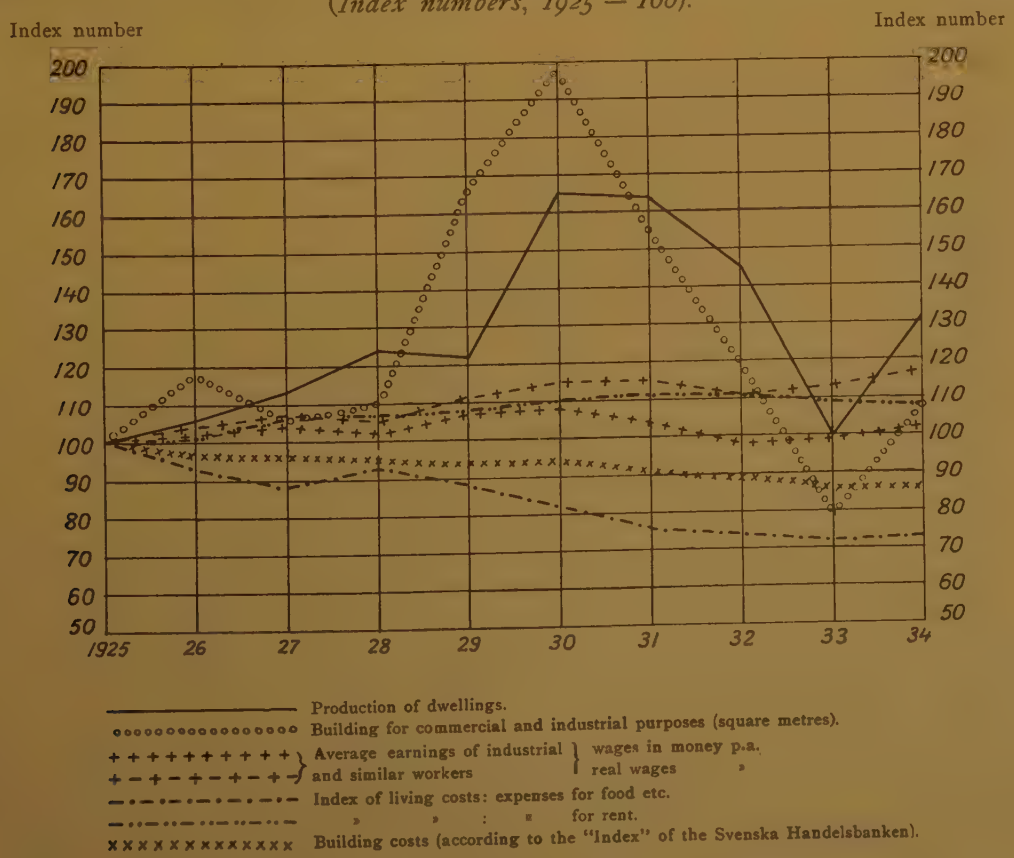
As the immigrants are chiefly adults, the present growth of the population may be presumed to represent a considerably larger requirement of new dwellings. On the other hand, the great majority of the immigrants consist of young unmarried persons looking out for work, who during the next few years may content themselves with living-in or taking lodgings, or, as in the case of the numerous domestic servants, may be housed by their employers. Not until these immigrants have secured more permanent and better remunerated positions and have formed households of their own, will they appear on the market for unfurnished apartments, not rooms but houses or flats. The "supply of dwellings" will be mainly determined by the increase in the number of such houses or flats, whilst the principal factor in the demand for housing accommodation is the formation of new households. It is fairly easy to ascertain the number of new dwellings statistically — more so than the number of rooms. On the other hand, it is more difficult to measure statistically the formation of households, especially as records have been taken of their number only at the decennial censuses of the population, and then on somewhat varying bases. It may, however, be estimated that the number of households in the towns has increased by about 34 per cent. between 1910 and 1920, and by 20 per cent. between 1920 and 1930, thus at a considerably greater pace than the growth of the population, which was 28 and 14 per cent. respectively. The households had thus increased in number — though smaller in size — and required a larger number of dwellings. During the nineteen-tens the number of dwellings increased merely by about 11 per cent., thus barely one-third as rapidly as the number of households. In the nineteen-twenties, on the other hand, the number increased by approximately 23 per cent. But, in view of the shortage remaining from the previous decade, the supply of dwellings, from the point of view of households, seems relatively scanty, though an improvement in this regard is no-

ticeable during that part of the present decade which has elapsed.

In default of continuous statistics of the formation of households, a curve has been inserted in diagram I, showing the annual number of marriages in the towns. This curve shows a relatively steady increase from about 12,000 marriages a year in the nineteen-tens to nearly 15,000 in the following decade, and 18,000 during the first four years of the present decade. Demographic investigations indicate that we are now passing through a unique epoch in regard to the formation of families, in that the large groups of children born during the years immediately following the turn of the century are now reaching a marriageable age. Despite the diminishing growth of the population, which reflects the marked decline in fecundity during the last twenty years or so, the formation of families is proceeding, both relatively and absolutely, at a more rapid pace than before, and this large increase in the number of families will presumably continue for a decade or so ahead.

In Sweden, as in England, the large scale on which new households have been formed is undoubtedly one of the principal factors in the marked and persistent increase in house-building during the past ten years, — an almost continuous progress, interrupted only by the big labour dispute in the building trade in 1933—34. But even a large and increasing demand for housing accommodation cannot produce its effect unless the necessary purchasing power is available. As shown by diagram II, this has been the case as regards the working classes, and their equals, in the towns. According to statistics published by the Swedish Labour Board, the average earnings per annum have, at any rate, not shown any fall during the period from 1925 to 1934; and, as the cost of living in general has decreased by

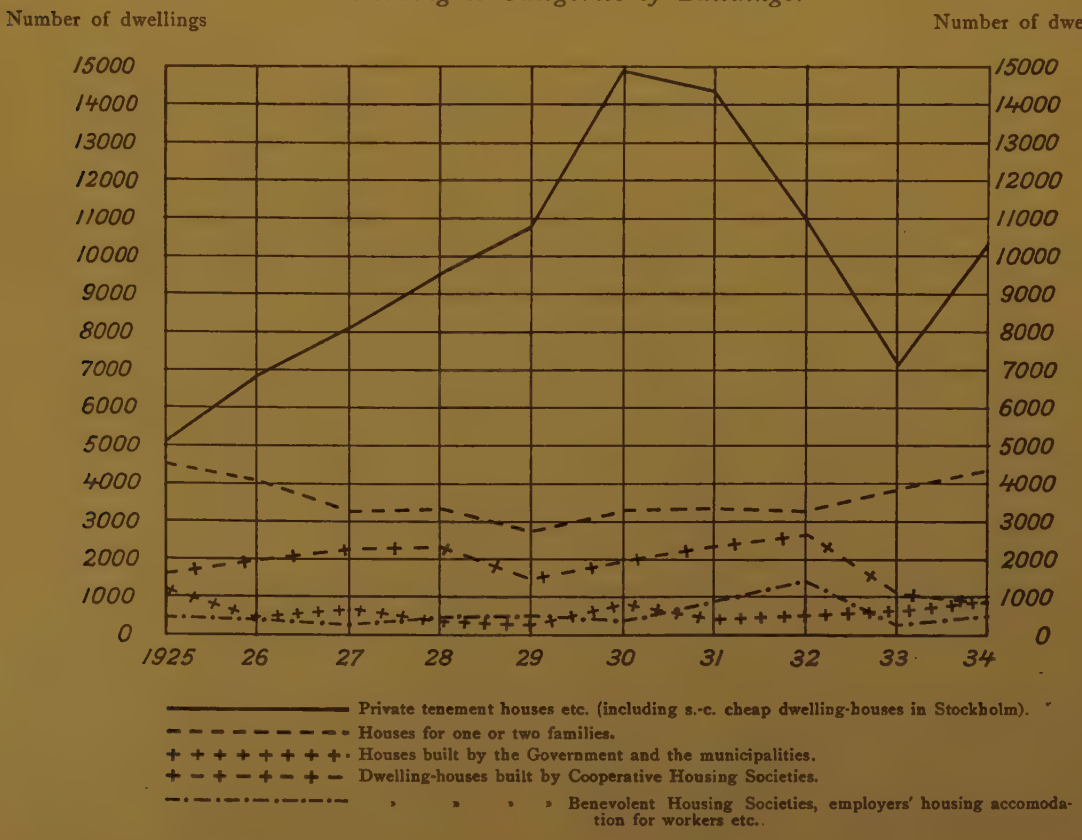
Diagram II. House-building and certain Factors of Importance in Connexion therewith (Index numbers, 1925 = 100).



somewhat more than 10 per cent. and the cost of foodstuffs solely by about 25 per cent., the real wages have risen by about 15 per cent. in ten years. This nett increase in earnings has rendered it possible to rent new and better dwellings, despite an average rise in rents of 8 to 10 per cent. as compared with the year 1925. Rents, however, have been slowly falling since 1931—32, though these reductions vary at different places and according to the different classes of dwellings. As regards the builders the fall in the level of rents has been compensated for firstly by a general decrease in building costs (about 15 per cent.), but especially by a more abundant supply of capital at cheaper rates. The normal rate of interest on first mortgage loans on large houses in towns, which had previously been from 4 to $4^1/_2$ per cent., is reported to have fallen to about $3^1/_4$ per cent., at the beginning of 1935, in order to rise at the end of the first six months to about $3^1/_2$ per cent., with an upward tendency. It is a well-known fact that the interest charges on a house are the principal factor in determining the level of rents. According to an estimate made by the Housing Office of the City of Stockholm, a reduction of interest charges by 10 per cent. would render it possible to reduce rents by $7^1/_2$ per cent., though the relation between these two figures may be affected by the disposal and the placement of the loan.

The cheaper rates for loans on real estate seem to have affected not only house-building, but also building for commercial, industrial and similar purposes. Too definite conclusions should, however, not be drawn from the somewhat arbitrary movements of the curve inserted in Diagram II. This curve is based on statistics published by the Labour Board, which, however, leave out of account the large amount

Diagram III. The House-building in Urban Districts in the Years 1925—1934, specified according to Categories of Buildings.

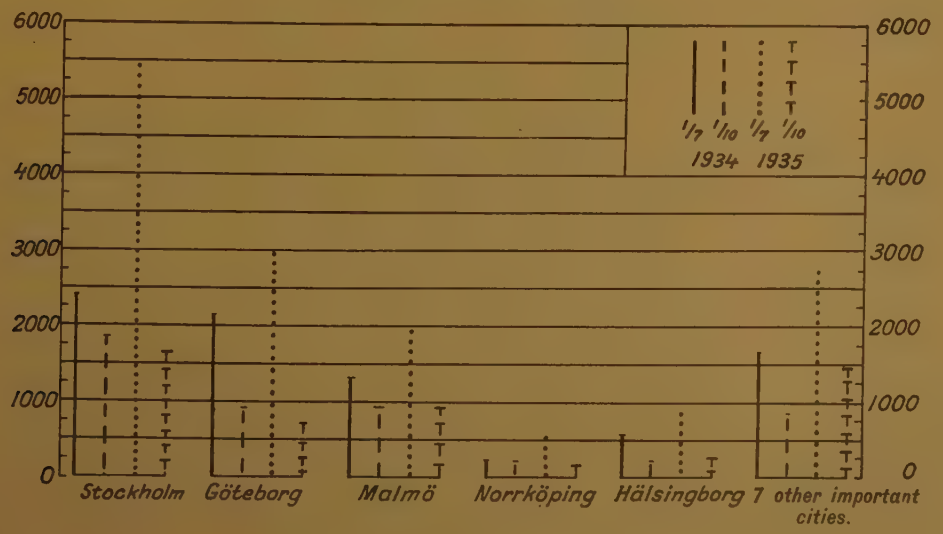


of building for industrial purposes in rural districts, and are moreover affected by the fact that the usual types of houses in the larger towns are planned for the fitting up of the ground floors as business premises. Not more than one-fourth to one-third of the floor space roofed over is, however, intended for other than residential purposes.

The character and relative importance of the various categories of house-building in urban communities during the last ten years are shown in Diagram III. The principal categories are, on the one hand, houses with tenements to let, on the other, houses or apartments owned by the occupants, being houses for a single family or for two families, or else apartments owned by members of cooperative house-building societies. Whereas the last-mentioned categories show a rather even curve, with from 4,000 to 6,000 houses or flats a year, the building of tenement houses shows very marked annual fluctuations, ranging between 5,000 and 14,000 dwellings, being from two-fifths to two-thirds of the total house-building. In these fluctuations a line of demarcation between non-speculative and speculative building is noticeable, though the boundaries between the two tend to merge into each other. Thus, in some cases, the building of villas as well as of houses for account of building societies is of a speculative character, whilst, on the other hand, some tenement houses are built with the aid of subsidies, and are thus for the most part controlled by the State or by municipalities with respect to rents, etc. It should in fact be pointed out that the relatively small amount of house-building directly planned by the Government or municipalities, as shown in Diagram III, by no means gives a comprehensive view of public measures having a bearing on the nature and trend of house-building. Greater importance must be attached to such measures in the indirect form of providing first-class, second-class, and latterly even third-class building loans, and of the subsidizing of house-building in various ways. For example, the Riksdag in 1935 voted a grant of 10.5 million kronor towards the building of houses for poor families with a large number of children, a class of family for which none but the Government and the municipalities are willing to build.

The account which has been given above of house-building and the forces which impel it relates to calendar years, and stops at the end of 1934. Housing statistics which could serve as a gauge for judging the economic situation should, however, be compiled at shorter intervals. Since the beginning of 1934, however, the Labour Board have collected quarterly data regarding building which has been executed or

Diagram IV. Dwellings in Course of Erection in certain Cities on the 1st of July and the 1st of October 1934 and 1935.



authorized, as well as regarding the number of apartments or rooms in course of erection in twelve towns with a population of more than 30,000, together representing more than half of the total house-building.

These figures show that the number of dwellings actually built in those towns during the first nine months of 1935 exceeded by nearly 70 per cent. the number of dwellings produced during the same period in 1934. The corresponding figures for building permits likewise show a considerable increase as compared with 1934. In the third quarter, however, the tendency is less uniform, and especially in the three largest towns a certain decline is noticeable as compared with the corresponding period in the previous year. The building permits might be expected to be indicative of the future trend; but, in view of the variations in time between the approval of the building designs and their execution — some are not executed at all — it is difficult to determine that future. In any case, the relative scale on which building permits have been granted gives some indication as to how the market was judged by builders at the time when the applications were submitted.

More definite information is afforded by the figures in Diagram IV, showing the number of dwellings in course of erection at the beginning of the quarters. As houses in Sweden are usually built for renting as from the 1st October, the beginning of that quarter shows a marked decrease in house-building as compared with the beginning of July. Generally speaking, the number of dwellings in course of construction was about as large in 1935 as in the preceding year, which is indicative of anticipations that the housing boom will last for some time to come.

As the above report has shown, there are good grounds for such anticipations. True that a certain rise in the cost of living and especially in food prices has latterly been noticeable, but, as regards the working classes, this is apparently being counter-balanced by an equally noticeable tendency towards an increase in earnings. And, even if the main factor in the demand for housing accommodation namely the large scale on which households are being formed, should, under the force of circumstances, be divested of some of its importance, other impelling forces will continue to operate. For example, it is urgent to improve the standard of housing accommodation of the Swedish working classes, who live in relatively cramped conditions as compared with those of several other countries; further, the clearance and rebuilding of old quarters of towns is becoming more pressing year by year; and, finally, ever more insistent demands are being made that the Government or municipalities shall provide housing accommodation for those groups of the population who are not, economically speaking, in a position to solve their own housing problem through the private or the cooperative building activity.

THE ECONOMIC SITUATION DURING THE FOURTH QUARTER OF 1935

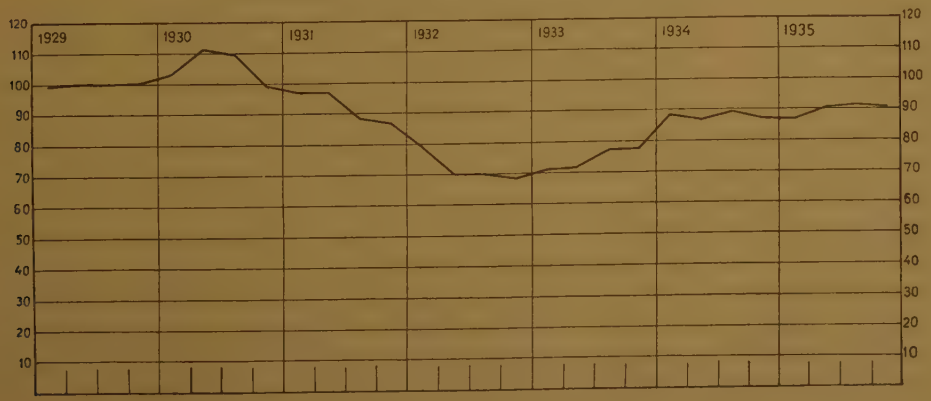
The General Situation. The situation on the home market still shows the outward signs of an expansive boom, marked by an extended demand for labour and greater spending power. This tendency, however, has not been uniform, and, in many cases, business has evidently been carried on under increasing strain. In several branches of industry there have been indications of a decline. In other branches, where the turnover has augmented, profits have been reduced owing to a fall in the prices of manufactured goods, or in consequence of the fact that an advance in the prices of raw materials has not been accompanied by a corresponding rise in the prices of finished products. A similar tendency in some branches of the export industries has been generally noticed. The severer competition on the home market and the less favourable trend of export trade are giving cause for disquietude, as possibly indicating that the continuance of the boom is seriously menaced.

The business activity index of our bank — which relates to the value of the clearing of commercial paper, with due allowance for seasonal fluctuations — for the two last quarters of 1935 worked out at about 91 per cent. of the average for 1929. This figure marks a record for the last few years and, if the fall of prices is taken into account, even in comparison with the peak year 1929.

Building activity has been on an extensive scale, and competent judges view the trend in this field with assurance. This involves anticipations of a continuance of the boom in builders' iron, cement, wood goods, bricks, tiles, window glass, etc. The consumption of iron has been on the same record scale as before and has been partly met by increased imports. The export of iron, on the other hand, has diminished somewhat. The foodstuffs industries, the makers of ready-made clothing and the boot factories have reported greater business activity. The sales of the textile industry, on the other hand, diminished somewhat in the course of last year, and the improvement which was noticeable towards the end of the year is attributed to purchases by dealers speculating in a rise of prices.

The Skandinaviska Bank's Business Activity Index.

Index numbers for clearing, in kronor (1929 = 100).



Exports	Wood Goods 1,000 m³	Wood Pulp (estimated air-dry weight 1,000 tons)				Paper and Pasteboard 1,000 tons
		Mechanical	Sulphite	Sulphate	Total	
Jan.—Nov.						
1929 . . .	5,875	302.3	834.0	439.5	1,575.8	424.52
1930 . . .	4,842	242.5	753.4	376.5	1,372.4	398.49
1931 . . .	3,222	240.0	619.7	429.2	1,288.9	435.16
1932 . . .	3,197	183.9	509.1	351.7	1,044.7	425.76
1933 . . .	4,203	283.1	823.5	592.5	1,699.0	470.52
1934 . . .	4,173	288.1	833.3	616.4	1,737.8	505.48
1935 . . .	3,196	275.2	905.3	670.2	1,850.7	557.63

Exports	Iron Ore 1,000 tons	Pig Iron etc. 1,000 tons	Wrought Iron and Steel 1,000 tons	Workshop[1] Products Mill. kr.	Butter tons	Bacon tons
Jan.—Nov.						
1929 . .	10,135	100.32	125.60	108.9	22,887	18,313
1930 . .	9,077	66.26	87.58	110.4	24,918	25,530
1931 . .	4,233	55.41	68.83	80.7	18,438	27,666
1932 . .	2,039	41.18	56.94	62.1	12,383	19,516
1933 . .	2,593	84.51	68.70	55.6	15,504	19,052
1934 . .	6,206	87.95	93.23	69.9	21,593	17,418
1935 . .	6,938	84.75	95.38	76.0	19,302	12,156

As regards the large exporting workshops, which had had a remarkably successful year, signs of stagnation in certain branches of manufacture were noticeable towards the end of 1935.

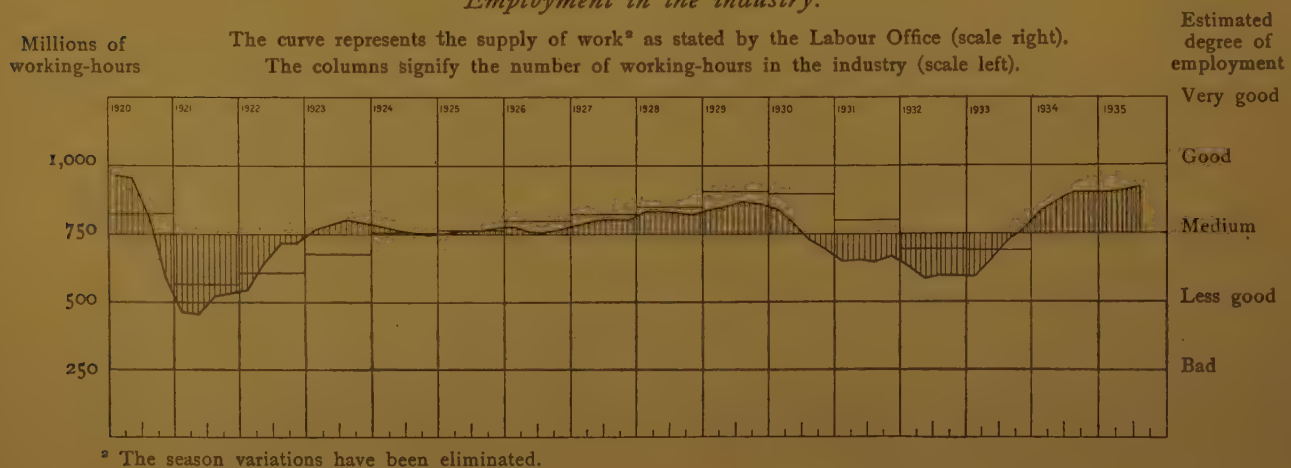
The exports of wood goods in 1935 did not amount to more than about 815,000 standards, which is some 80,000 standards below the figure for 1934. Owing to the price decline, which during the season was as much as 30 kronor per standard, sawmill business seems in most cases to have been carried on at a loss. But the agreement concluded between the timber exporting countries to adjust their exports on the basis of the estimated requirements of the importing countries has tended ta stabilize prices. It is also expected, in view of tariff reductions in the United States, that Canadian exports of wood goods will be transferred from Europe to America to the extent of some 100,000 standards.

Half of the estimated output of sulphite pulp for 1936 had been sold by the beginning of that year; the corresponding figures for sulphate and mechanical pulp are four-fifths and two-thirds respectively. The prices of sulphite pulp are still unsatisfactory. The agreement between the exporting countries for a twenty-five per cent. restriction of output is in force till next autumn, but a revision of the bases of this agreement is going on. As regards sulphate pulp the prices are better and firm. The prices of mechanical pulp have improved somewhat as a consequence of restrictions in output.

The orders booked by the makers of wrapping paper have shown an increase, and there has been some rise in prices. The newsprint mills have sold half their estimated output for the year, but prices are still unfavourable.

[1] Includes only the products of large exporting workshops.

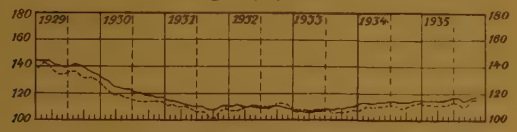
Employment in the industry.



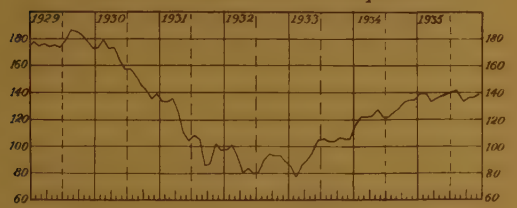
[2] The season variations have been eliminated.

Price Index of the Board of Trade.

——— = all goods.
- - - - - - - - = raw products.
(Average 1913 = 100.)

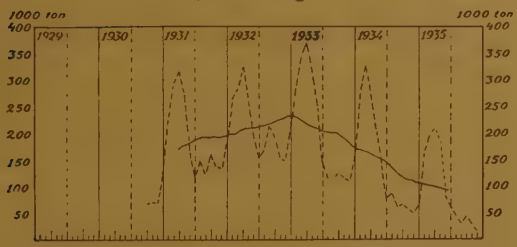


Index Numbers for Shares of 11 typical Swedish Industrial Companies.

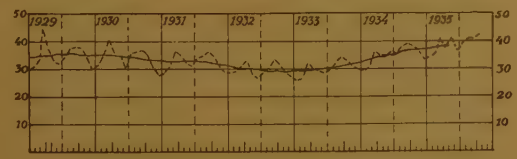


Laid up Swedish Tonnage.

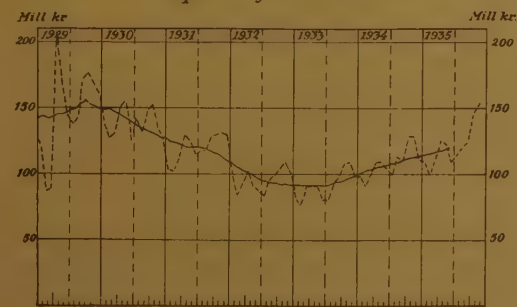
(1,000 tons gross)



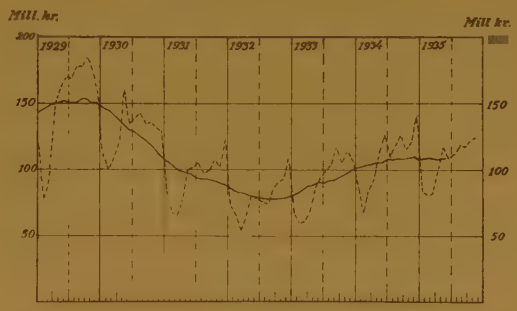
Millions of Axle-Kilometers travelled by Loaded Goods Trucks on the State Railways.



Import of Sweden.

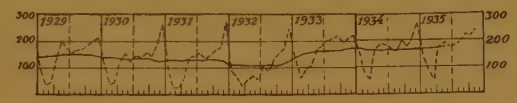


Export of Sweden.



Export of Paper Pulp.

(Estimated air-dry weight in 1,000 tons.)

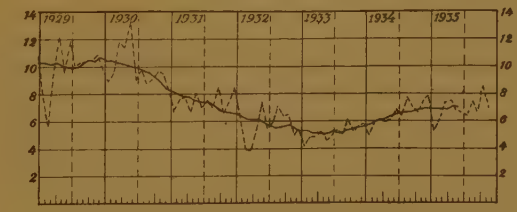


Export of Woodgoods.

(1,000 m³.)

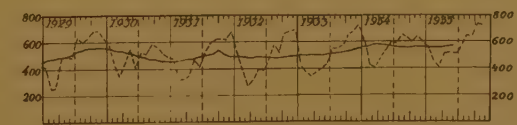
Export of Products of the Engineering Works.

(Mill. kr.)



Import of Coal and Coke.

(1,000 tons.)



Everywhere except in the first diagram the dotted line — where it occurs — indicates the original figures and the solid line the moving 12 months' averages.

The exports of pulp and paper reached a new record last year.

Sweden's foreign trade during the first eleven months of 1935 showed, as compared with the immediately preceding year, an increase of 144 million kronor, or 12 per cent., in imports, but of merely 8 million kronor, or 0.7 per cent., in exports. This stoppage of the increase in Swedish export trade has resulted in an import surplus of 170 million kronor. The increase in the import surplus, 136 million kronor, is, however, considerably smaller than the surplus of income shown by the Swedish balance of international payments, amounting to 212 million kronor for 1933 and to 206 million kronor for 1934.

	Imports	Exports	Surplus of exports (+) or surplus of imports (−)
	Million kronor		
Jan.—Nov. 1929	1,621	1,654	+ 33
» » 1930	1,523	1,417	−106
» » 1931	1,310	1,003	−307
» » 1932	1,046	836	−210
» » 1933	993	971	− 22
» » 1934	1,189	1,155	− 34
» » 1935	1,333	1,163	−170

The exchange rate for the pound sterling and the discount rate of the Riksbank, the two landmarks of Sweden's monetary policy, remained unchanged during 1935. The currency holdings of the commercial banks are still extraordinarily large, and the note cover of the Riksbank in gold and currency at the end of the year may be estimated at 132 per cent., even if the gold reserves are reckoned at their former par with kronor.

The money market, as before, is marked by great abundance. The credits demanded have been mainly intended to provide working capital for small companies, and the reports from various parts of the country indicate that the credit position has been considerably strengthened in the course of the last few years.

The Stock Market. The fluctuations in the prices of leading industrial and bank shares on the Stockholm Exchange during the last few months are shown in the following table. The quotations are given in percentage of par.

	Number of Companies	1935 15/8	16/9	15/10	15/11	16/12	30/12
Engineering Workshops	4	146	134	139	144	144	145
Timber and Paper Industries	5	130	121	122	121	123	128
Combined Industries (wood and iron)	2	150	146	147	144	146	147
Total above Companies	**11**	**142**	**134**	**136**	**136**	**138**	**140**
Banking Companies	4	175	166	166	168	169	174

In the course of last year the prices of the daily quoted shares rose, on an average, by 7 per cent., but nevertheless at the end of the year were, in the mean, 25 per cent. below the level of 1929. It should be observed, however, that the industrial shares listed on the Stock Exchange mainly represent the large exporting industries whose markets have been obstructed by trade barriers and currency restrictions in foreign countries. The dividends for 1934 on these daily quoted shares amounted, on a rough estimate, merely to two-thirds of the dividends for 1929.

In the first half of August 1935, when share prices reached their culmination for the year, the disturbances in the international situation caused by the Italo-Abyssinian dispute entailed a fall of prices, which continued into September. Rising hopes that it would be possible to localize the conflict led in October to a new rise in share prices, which, broadly speaking, continued to the end of the year. During the last two months, however, the attitude of the Stock Exchange has been distinctly cautious and hesitant, whence dealings in shares have been on a rather small scale.

The Bond Market. The following table gives approximate figures for the yield (in percentage) corresponding to the market prices of representative Swedish bond loans during the last few months.

	Number of loans	1935 16/7	16/8	13/9	15/10	15/11	17/12	31/12
Swedish Government.								
3 % Rente	1	3.24	3.22	3.25	3.40	3.32	3.36	3.32
4 % Amort. 1932—81. Conv. 1941	1	2.61	2.40	2.57	3.13	3.23	3.09	2.93
Mortgage Banks.								
4 % Conv. 1941 . . .	2	2.93	2.55	2.78	3.09	3.09	3.06	3.01
4 % Amort. 1884—1959	1	3.38	3.34	3.36	3.70	3.65	3.65	3.65
City of Stockholm.								
4½ % Amort. 1918—57. Conv. 1940	1	3.60	3.48	3.37	3.60	3.48	3.37	3.37
Industrial Companies.								
4½ % Conv. 1940 . .	1	3.06	3.06	3.11	3.65	3.65	3.65	3.65
5 % Conv. 1936—42 .	5	3.62	3.62	3.62	3.93	3.87	3.85	3.85

The tendency on the bond market last year was marked by the paradoxal situation that, whilst there was but little drain on that market owing to the issue of new loans, bond prices nevertheless were falling almost continuously. In view of the favourable position of the national finances, the Government have resorted to the capital market only to a minor extent for new loans, and even the recent issues of treasury bills have merely involved the successive renewal of credits previously raised in this way, a form of borrowing which was inaugurated here in 1934. The municipalities have held aloof from the public market, borrowing direct from insurance companies, savings banks and other institutions which hold large funds. On the other hand, the activity in the building trade has induced institutions which lend money on the security of real estate to issue new loans; towards the beginning of last quarter the bonds of the Swedish Cities' Mortgage Bank were offered for sale on a rather large scale. These offers have subsequently shown a marked decline — partly attributable to the season —, which, towards the end of the year, conduced to a minor rise on the market for gilt-edged securities. The new industrial loans which have been issued have, as a rule, had a rapid sale.

The decline in bond prices must be attributed principally to the speculative attitude of investors, who have shown an increasing tendency to adjust their investments to anticipations of a rising level of interest. For this reason, short-term loans, until latterly, have been in special demand, with the result that first-class industrial loans of this type have at times risen to about the same prices as those of gilt-edged securities.

Latterly, however, the hesitant attitude of investors has entailed some diminution of interest even in medium-term loans. First-class loans of this type, at the present prices, give a yield of about 3 % as compared with 2¼ to 2½ % at the beginning of the year. As for the Government 3 % rente of 1888, the yield on the basis of the current price has risen in the course of the year from 3 to 3⅓ %, which may be regarded as representative of long-term Government loans.

In the course of the last quarter of 1935 the Royal Swedish Mortgage Bank and the Residential Mortgage Bank began to sell privately 3½ % bonds of issues amounting respectively to 20 and 10 million kronor. In addition, A.B. Svenskt Konstsilke and Reymersholms Gamla Industri A.B. have issued 4 % bond loans of 1.2 and 3.0 million kronor at a price of 101 and 100 per cent., respectively.

Some Statistical Data Concerning

Currency Reserve, Stock of Gold, Note Circulation.

	Net Claims of Banks on Abroad million kronor (End of month)									The Riksbank's								
	Riksbank			Commercial banks			Total			Stock of Gold (million kr.)			Stock of Gold and Net Claims on Abroad (million kr.)			Note Circulation (million kr.)		
	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935
Jan.	259	449	560	205	125	189	464	574	759	206	372	351	465	821	911	514	562	620
Feb.	260	506	555	218	85	200	478	591	755	206	373	351	466	879	906	514	560	620
March	308	507	600	161	77	150	469	584	750	232	374	352	540	881	952	531	586	646
I (Average)	**276**	**487**	**572**	**195**	**96**	**180**	**470**	**583**	**752**	**215**	**373**	**351**	**490**	**860**	**923**	**520**	**569**	**629**
April	257	484	609	169	103	149	426	587	758	266	367	352	523	851	961	544	581	652
May	263	458	622	185	130	159	448	588	781	266	368	354	529	826	976	506	564	632
June	318	445	614	164	171	175	482	616	789	266	370	355	584	815	969	536	602	674
II (Average)	**279**	**462**	**615**	**173**	**135**	**161**	**452**	**597**	**776**	**266**	**368**	**354**	**545**	**831**	**969**	**529**	**582**	**653**
July	305	457	622	116	188	191	421	645	813	340	371	356	645	828	978	534	586	659
Aug.	307	471	618	116	192	209	423	663	827	361	373	358	668	844	976	523	596	672
Sept.	342	469	658	100	195	192	442	664	850	378	374	363	720	843	1021	561	634	711
III (Average)	**318**	**466**	**633**	**111**	**192**	**197**	**429**	**657**	**830**	**360**	**373**	**359**	**678**	**838**	**992**	**539**	**605**	**681**
Oct.	394	510	638	106	195	206	500	705	844	377	359	384	771	869	1022	559	632	709
Nov.	425	519	616	105	186	223	530	706	839	369	352	398	794	871	1014	549	622	700
Dec.	446	553	629	106	225		552	778		370	351	408	816	904	1037	598	672	748
IV (Average)	**422**	**527**	**628**	**106**	**202**		**528**	**730**		**372**	**354**	**396**	**794**	**881**	**1024**	**569**	**642**	**719**
Notes	The figures comprise balances with foreign banks and holdings of foreign bills and foreign bonds less amounts due to foreign banks									At end of month.						Monthly averages		

Rates of Exchange.

	Nominal Quotations of the Commercial Banks (Monthly Averages)											
	London Kr. for £ 1			New York Kr. for $ 1			Paris Kr. for 100 francs			Berlin Kr. for 100 Rmk		
	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935
Jan.	18.382	19.400	19.404	5.471	3.848	3.972	21.490	23.996	26.187	130.720	145.430	159.558
Feb.	18.765	19.400	19.405	5.482	3.863	3.988	21.648	25.052	26.308	131.448	150.990	160.104
March	18.919	19.400	19.401	5.485	3.822	4.072	21.806	25.166	27.028	131.788	151.890	164.990
I (Average)	**18.689**	**19.400**	**19.403**	**5.479**	**3.844**	**4.011**	**21.648**	**24.738**	**26.508**	**131.652**	**149.437**	**161.551**
April	19.073	19.404	19.400	5.335	3.771	4.019	21.968	24.979	26.567	130.852	149.656	162.337
May	19.447	19.405	19.400	4.944	3.806	3.975	22.767	25.194	26.217	136.019	150.650	160.481
June	19.456	19.405	19.400	4.718	3.850	3.938	22.652	25.418	26.066	135.935	148 340	159.648
II (Average)	**19.325**	**19.405**	**19.400**	**4.999**	**3.809**	**3.977**	**22.462**	**25.197**	**26.283**	**134.269**	**149.549**	**160.822**
July	19.407	19.403	19.403	4.194	3.857	3.923	22.835	25.437	26.020	139.750	148.288	158.741
Aug.	19.400	19.400	19.400	4.315	3.836	3.912	23.187	25.563	25.935	141.481	151.417	158.278
Sept.	19.400	19.400	19.400	4.173	3.888	3.939	24.218	26.008	25.982	148.154	156.830	158.780
III (Average)	**19.402**	**19.400**	**19.401**	**4.227**	**3.860**	**3.925**	**23.413**	**25.669**	**25.979**	**143.128**	**152.178**	**158.600**
Oct.	19.400	19.400	19.401	4.166	3.936	3.960	24.296	26.130	26.113	148.413	159.472	159.593
Nov.	19.401	19.402	19.403	3.797	3.895	3.947	23.788	25.688	26.012	145.375	156.837	159.058
Dec.	19.400	19.400	19.400	3.798	3.929	3.940	23.331	25.948	26.043	142.333	158.198	158.946
IV (Average)	**19.400**	**19.401**	**19.401**	**3.920**	**3.920**	**3.949**	**23.805**	**25.922**	**26.056**	**145.374**	**158.169**	**159.199**
Par	18.1595			2.2038 [1]			14.6196			88.8889		

[1] On the 30th January 1934 the value of the dollar was provisionally fixed at 59.06 % of the former gold parity, Kr. 3.7315 per $.

N. B. England abandoned the gold standard on the 21th Sept., Sweden on the 28th Sept. 1931 and the United States on the 20th April 1933.

Sweden's Economic Position.

Commercial Banks, Stock Exchange.

	Commercial banks												Quotations of 11 typical Swedish Industrial Shares [1] In %			Shares sold on the Stockholm Stock Exchange (1000 kr.)		
	Deposits (million kr.)			Loans incl. bills rediscounted (million kr.)			Bills Rediscounted (million kr.)			Cash (million kr.)								
	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935
Jan.	3615	3665	3617	4138	3813	3826	54	0.4	0.0	210	435	382	85	116	139	359	1061	927
Feb.	3635	3659	3619	4134	3807	3852	18	0.5	0.0	165	485	359	77	122	139	337	1354	583
March	3621	3659	3663	4160	3830	3906	34	0.7	0.0	191	442	390	86	122	133	373	673	531
I (Average)	**3624**	**3661**	**3633**	**4177**	**3817**	**3861**	**35**	**0.5**	**0.0**	**189**	**454**	**374**	**83**	**120**	**137**	**356**	**1029**	**680**
April	3611	3628	3620	4146	3833	3917	38	0.2	0.0	187	411	360	90	122	136	494	728	441
May	3538	3553	3586	4082	3838	3920	47	0.1	0.0	156	317	284	96	127	138	645	689	618
June	3527	3559	3606	4070	3823	3908	54	0.0	0.0	188	307	298	105	121	139	487	395	834
II (Average)	**3559**	**3580**	**3604**	**4099**	**3831**	**3915**	**46**	**0.1**	**0.0**	**177**	**345**	**314**	**97**	**123**	**138**	**542**	**604**	**631**
July	3641	3629	3692	4012	3800	3880	24	0.0	0.1	349	401	398	106	121	141	376	338	635
Aug.	3640	3628	3671	3997	3810	3874	0.9	0.0	0.0	341	399	332	104	125	142	305	355	873
Sept.	3665	3649	3718	3966	3816	3883	0.8	0.0	0.0	398	391	400	104	128	134	474	469	518
III (Average)	**3649**	**3635**	**3694**	**3992**	**3809**	**3879**	**8.6**	**0.0**	**0.0**	**363**	**397**	**377**	**105**	**125**	**139**	**385**	**387**	**675**
Oct.	3669	3665	3737	3919	3774	3861	0.7	0.0	0.0	474	430	445	106	133	136	702	1007	644
Nov.	3627	3562	3634	3899	3785	3878	0.7	0.0	0.0	359	299	313	105	134	136	504	549	541
Dec.	3629	3553		3905	3795		0.6	0.0		390	349		105	134	138	554	670	726
IV (Average)	**3642**	**3593**		**3908**	**3785**		**0.7**	**0.0**		**408**	**359**		**105**	**134**	**137**	**587**	**742**	**637**
Notes	Deposits from and loans to the public within the country (at the end of the respective month)									Cash in hand, credit balances on cheque accounts with the Riksbank et cetera			Prices at middle of month			Averages per Stock Exchange business day		

[1] Revised figures.

Rates of Interest and Price Level.

	Rediscount Rate of the Riksbank (%)			Yield of Bonds (%)						Wholesale Price Index (Board of Trade) (1913 = 100)						Cost of Living Index (July 1914 = 100)		
				Govt. Loans			Industrial Loans			All Goods			Raw Materials					
	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935
Jan.	3.50	2.00	2.00	4.05	3.65	3.03	4.88	4.22	3.59	106	112	115	107	108	112	154	153	155
Feb.	3.50	2.00	2.00	4.12	3.74	3.04	4.96	4.18	3.59	106	112	115	107	110	112	.	.	.
March	3.50	2.00	2.00	4.26	3.74	3.09	4.95	4.04	3.57	105	112	115	107	109	111	.	.	.
I (Average)	**3.50**	**2.00**	**2.00**	**4.14**	**3.71**	**3.05**	**4.93**	**4.15**	**3.58**	**106**	**112**	**115**	**107**	**109**	**112**			
April	3.50	2.00	2.00	4.32	3.72	3.18	4.93	3.93	3.58	105	113	115	106	110	111	153	153	155
May	3.50	2.00	2.00	4.24	3.60	3.15	4.92	3.92	3.60	106	113	115	107	110	111	.	.	.
June	2.50	2.00	2.00	4.19	3.63	3.18	4.84	3.85	3.65	106	114	116	107	111	113	.	.	.
II (Average)	**3.17**	**2.00**	**2.00**	**4.25**	**3.65**	**3.17**	**4.90**	**3.90**	**3.61**	**106**	**113**	**115**	**107**	**110**	**112**			
July	2.50	2.00	2.00	4.13	3.64	3.24	4.83	3.94	3.62	108	114	116	108	111	113	153	155	156
Aug.	2.50	2.00	2.00	4.01	3.61	3.22	4.76	3.83	3.62	108	114	115	105	109	110	.	.	.
Sept.	2.50	2.00	2.00	3.92	3.49	3.25	4.58	3.67	3.62	109	114	115	106	109	111	.	.	.
III (Average)	**2.50**	**2.00**	**2.00**	**4.02**	**3.58**	**3.24**	**4.77**	**3.81**	**3.62**	**108**	**114**	**115**	**106**	**110**	**112**			
Oct.	2.50	2.00	2.00	3.79	3.38	3.40	4.46	3.54	3.93	109	114	117	106	111	116	154	155	157
Nov.	2.50	2.00	2.00	3.86	3.37	3.32	4.46	3.56	3.87	110	115	118	107	112	116	.	.	.
Dec.	2.00	2.00	2.00	3.74	3.26	3.36	4.37	3.66	3.85	110	115		107	113		.	.	.
IV (Average)	**2.33**	**2.00**	**2.00**	**3.80**	**3.34**	**3.36**	**4.41**	**3.59**	**3.88**	**110**	**115**		**107**	**112**				
Notes	Monthly averages			Calculated on market prices at middle of months						Calculated on prices ruling at middle of months						Refers to end of quarters		

Trade and Industry.

	Foreign Trade (million kr.)									Export of Forest Products								
	Import			Export			Excess of Imports (−) or Exports (+)			Sawn and Planed Wood Goods 1000 stds			Paper Pulp 1000 tons			Paper and Pasteboard 1000 tons		
	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935
Jan.	81	98	109	68	89	83	−13	− 9	−26	35	18	31	133.6	159.5	142.0	36.2	44.4	44.4
Feb.	75	90	99	59	66	80	−16	−24	−19	12	7	8	59.9	77.3	88.6	38.9	37.0	48.4
March	90	100	111	61	83	82	−29	−17	−29	10	11	10	31.0	52.6	46.0	42.2	51.2	52.5
I (Average)	**82**	**96**	**106**	**63**	**79**	**82**	**−19**	**−17**	**−24**	**19**	**12**	**16**	**72.4**	**96.5**	**92.2**	**39.1**	**44.2**	**48.4**
April	90	109	126	68	92	100	−22	−17	−26	18	22	15	102.4	168.9	170.3	42.1	45.8	54.1
May	90	109	122	86	112	117	− 4	+ 3	− 5	76	81	68	167.9	187.2	188.4	40.2	46.4	53.1
June	80	103	109	94	125	109	+14	+22	0	121	146	101	175.7	183.4	172.2	35.4	46.3	45.5
II (Average)	**87**	**107**	**119**	**83**	**110**	**109**	**− 4**	**+ 3**	**−10**	**72**	**83**	**61**	**148.7**	**179.8**	**177.0**	**39.2**	**46.2**	**50.9**
July	80	99	115	99	109	112	+19	+10	− 3	118	107	85	201.6	172.8	178.2	46.7	42.9	42.6
Aug.	92	113	120	103	116	118	+11	+ 3	− 2	89	110	87	208.3	159.2	188.6	47.4	45.5	59.2
Sept.	98	110	125	117	126	117	+19	+16	− 8	98	95	73	214.5	197.2	224.0	49.3	47.3	49.5
III (Average)	**90**	**107**	**120**	**106**	**117**	**116**	**+16**	**+10**	**− 4**	**102**	**104**	**82**	**208.1**	**170.4**	**196.9**	**47.8**	**45.2**	**50.4**
Oct.	108	129	145	105	115	122	− 3	−14	−23	93	98	65	195.9	177.5	214.1	45.4	45.1	54.4
Nov.	109	128	153	114	120	123	+ 5	− 8	−30	100	86	70	207.2	202.3	238.7	46.8	53.4	53.9
Dec.	98	110		108	139		+10	+29		81	71		221.5	264.0		45.9	49.4	
IV (Average)	**105**	**122**		**109**	**125**		**+ 4**	**+ 2**		**91**	**85**		**208.2**	**214.6**		**46.0**	**49.3**	
Notes										Petersburg standard = 4.67 m³			Estimated air-dry weight					

	Export of Iron Ore 1000 tons			Export of Workshop Products million kr.			Index of Production according to Feder. of Swed. Industries			Supply of Industrial Work Index numbers			Waggon-axle Kilometres of loaded Trucks on State Railways			Unemployment in Trade Unions (%)		
	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935
Jan.	180	178	463	4.08	4.90	5.23	87	103	116	·	·	·	25.6	29.6	34.1	28.8	24.3	22.5
Feb.	198	196	442	4.77	5.89	6.08	89	104	117	·	·	·	26.4	30.5	35.3	27.6	24.4	20.2
March	211	395	539	4.81	6.12	7.42	89	107	120	·	·	·	32.6	36.5	41.0	28.6	23.6	18.5
I (Average)	**196**	**256**	**481**	4.55	5.64	6.24	**88**	**105**	**117**	2.30	3.24	3.51	**28.2**	**32.2**	**36.8**	**28.3**	**24.1**	**20.4**
April	220	491	574	5.23	5.92	7.55	84	110	118	·	·	·	30.1	35.2	37.5	25.5	19.5	16.1
May	209	571	484	4.56	6.12	6.86	87	111	120	·	·	·	29.5	35.1	40.9	21.9	15.3	12.1
June	242	606	459	4.91	6.81	6.75	85	112	[1]	·	·	·	28.4	36.1	36.4	21.0	13.9	11.2
II (Average)	**224**	**556**	**506**	4.90	6.28	7.05	**85**	**111**		2.69	3.55	3.71	29.3	**35.5**	**38.3**	**22.8**	**16.2**	**13.1**
July	266	580	563	5.28	6.39	6.49	87	108		·	·	·	29.8	35.4	39.7	19.4	12.8	9.9
Aug.	297	568	585	4.97	7.67	7.49	**91**	**112**		·	·	·	32.3	38.3	40.4	19.6	13.2	10.3
Sept.	273	567	506	6.07	6.99	6.61	90	112		·	·	·	34.4	39.0	40.8	19.2	13.0	11.0
III (Average)	**279**	**572**	**551**	5.44	7.02	6.86	**89**	**111**		2.94	3.63	3.73	**32.2**	**37.6**	**40.3**	**19.4**	**13.0**	**10.4**
Oct.	220	521	515	5.20	6.64	8.59	93	111		·	·		32.9	38.3	42.2	20.1	14.8	12.5
Nov.	321	456	472	5.69	7.54	6.99	100	114		·	·		31.4	36.9		22.3	17.1	
Dec.	245	546	612	5.85	7.82		101	114		·	·		30.1	33.6		27.2	23.6	
IV (Average)	**262**	**508**	**533**	5.38	7.33		**98**	**113**		3.08	3.59		**31.5**	**36.3**		**23.2**	**18.5**	
Notes	Shipments of the Grängesberg Co.			Motors, electr. machinery, ball bearings, separators, telephones, etc.			Seasonal change removed			The figure 3 denotes normal supply of work			Million kilom. per month			% of total members at end of month		

[1] These statistics are being revised.

Stockholm 1936. Kgl. Boktr. P. A. Norstedt & Söner 354190

Quotations of Swedish Bonds. — *Kursnotierungen für schwedische Obligationen.*

In percentage; ex interest. — *In %, exclusive Zinsen.*

January 1936
Januar 1936

Quoted on the Stock Exchange	Terms of Redemption *Tilgungsmodalitäten* D = Drawings *Auslosung* P = Purchase *Rückkauf* R = Perpetual Loan *Staatsrente*	Redeemable in Whole *Konvertibel*	Interest Dates *Zinstermine* *	Prices (bid) *Notierungen (Geld)* 1935 1/10	29/10	29/11	30/12	14/1	An der Börse eingeführt
Swedish Government 2½ % 1935	Maturity *Rückzahlung* 1947		15/4—15/10	95¾	95¾	—	95¾	95¾	*Schwedischer Staat* 2½ % 1935
» 3 » 1888	R	1888	1/2— 1/8	91	89	—	92	92	» 3 » 1888
» 3 » 1894	Before *Vor* 31/12 1950 D P		15/4—15/10	98	97	—	100	100	» 3 » 1894
» 3 » 1934	R	30/12 1944	30/6—30/12	92½	90	93½	92½	93¾	» 3 » 1934
» 3½ » 1886	1887—1961 D	1906	1/6— 1/12	101	100½	101¼	101¼	102¼	» 3½ » 1886
» 3½ » 1900 à Kr. 1 816	} R	1920	15/2—15/8	100¾	98½	—	99¾	101	» 3½ » 1900 à Kr. 1 816
» » » » à Kr. 9 080 & 18 160	}			100¾	98½	100	99¾	100½	» » » » à Kr. 9 080 & 18 160
» 3½ » 1904/06/07	R	1914/16/20	1/2— 1/8	100¾	98½	100¼	99¾	100½	» 3½ » 1904/06/07
» 3½ » 1908	R	1920	20/6—20/12	101	98½	100½	99¾	101	» 3½ » 1908
» 3½ » 1911	R	1926	1/3— 1/9	100¾	98½	100¼	99¾	100½	» 3½ » 1911
» 3½ » 1933	R	1/11 1943	1/5— 1/11	101¼	98½	100½	99¾	100¾	» 3½ » 1933
» 3½ » 1934	1945—1974 D	1/10 1944	1/4— 1/10	101¾	101	102½	103	103¼	» 3½ » 1934
» 4 » 1931	1932—1981 D P[1]	15/5 1941	15/5—15/11	106½	103¾	105½	105¾	106	» 4 » 1931
» 4 » 1933	R	15/3 1943	15/3—15/9	106½	103½	105	105¾	105¾	» 4 » 1933
» 4 » 1933	R	1/10 1943	1/4— 1/10	106½	103¼	105	105¾	105¾	» 4 » 1933
» 4 » 1933	1934—1958 D P[2]	15/10 1944	15/4—15/10	106¾	105½	105½	106¼	106½	» 4 » 1933
» 4½ » 1927	R	15/6 1937	15/6—15/12	103½	103	103½	103½	103½	» 4½ » 1927
» 4½ » 1929	R	15/12 1939	15/6—15/12	106	104¾	105¼	106½	106½	» 4½ » 1929
» 4½ » 1930	R	15/9 1940	15/3—15/9	106½	105¾	106	107½	108	» 4½ » 1930
» 4½ » 1932	R	15/4 1942	15/4—15/10	108¾	107¾	—	109	109½	» 4½ » 1932
Sveriges Allm. Hypoteksbank 3 % 1935	1945—2005 D P	30/3 1945	30/3—30/9	91¼	89	—	93	92	*Sveriges Allm. Hypoteksbank* 3 % 1935
» 3½ » 1886	1888—1962 D	1901	1/5— 1/11	101¼	100	100¼	101½	101	(*Schwed. Reichs-Hypothekenbank*) 3½ » 1886
(Royal Swedish Mortgage Bank) 3¾ » 1934	1890—1959 D	1898	25/3—25/9	101	—	—	100½	—	3½ » 1889
» » 4 » 1878	1935—1994 D P	15/7 1994	25/1—25/7	102	100½	101	103	103	» » 3¾ » 1934
» » 4 » 1879	1884—1959 D P		30/6—31/12	106¾	103	103	104	105½	» » 4 » 1878
	1880—1/81939 D		1/2— 1/8	102	101	—	102	102	» » 4 » 1879
	Twice a year. *Zweimal jährlich.*								
» » 4 » 1908	1909—1968 D P	1918	1/3— 1/9	104	102½	103	103	103½	» » 4 » 1908
» » 4 » 1931	1932—1991 D P	15/6 1941	15/6—15/12	106¼	—	105¼	105½	106	» » 4 » 1931
» » 4 » 1933	1943—2003 D P	1/12 1943	1/6— 1/12	106¼	—	—	105½	105¼	» » 4 » 1933
» » 4½ » 1927	1947—2007 D P	1/6 1937	1/6— 1/12	103½	102¼	103¼	103¼	103¼	» » 4½ » 1927
» » 4½ » 1929	1949—2009 D P	15/10 1939	25/4—25/10	106¼	—	105¼	106	106	» » 4½ » 1929
» » 4½ » 1931	1951—2011 D P	1/6 1941	1/6— 1/12	107	—	106	107	107½	» » 4½ » 1931
» » 5 » 1926	1946—2005 D P	15/6 1936	15/6—15/12	102¾	102	102	101¼	101	» » 5 » 1926
Kon. Sveriges Stadshypotekskassa 3 » 1934	1944—2008 D P	1/5 1944	1/5— 1/11	91½	89½	90	92	91½	*Kon. Sveriges Stadshypotekskassa* 3 » 1934
(Swedish Cities' Mortgage Bank) 3 » 1935	1945—2009 D P	15/3 1945	15/3—15/9	91¼	90¼	90½	92	91½	(*Stadthypothekenkasse Schwedens*) 3 » 1935
» » 3½ » 1910	Before *Vor* 31/12 1980 D P	1920	25/5—25/11	101¼	98	99¾	99¼	100¼	3½ » 1910
» » 3½ » 1933	1943—2002 D P	15/6 1943	25/6—25/12	100¾	98	99½	99½	100	» » 3½ » 1933
» » 3½ » 1935	1945—2004 D P	15/1 1945	15/1—15/7	101	97¼	99¾	99¼	100¼	» » 3½ % 1935
» » 4 » 1931	1941—2000 D P	1/2 1941	1/2— 1/8	106¼	103	104½	105	105½	» » 4 % 1931
» » 4 » 1934	1944—2003 D P	15/1 1944	25/1—25/7	106	102½	105¼	105½	105½	» » 4 » 1934
» » 4½ » 1927	1937—1986 D P	1/3 1937	1/3— 1/9	104	103	103½	103	103½	» » 4½ » 1927
» » 4½ » 1930	1940—1989 D P	1/6 1940	1/6— 1/12	106¾	105	106	107½	107½	» » 4½ » 1930
» » 4½ » 1932	1942—1991 D P	1/1 1942	1/2— 1/8	109	107½	107½	108¼	108¾	» » 4½ » 1932
» » 4½ » 1933	1943—1992 D P	1/4 1943	1/4— 1/10	109½	107½	108¾	109	109½	» » 4½ » 1933
» » 5 » 1928	1938—1987 D P	1/5 1938	1/5— 1/11	108½	107½	108	108	108½	» » 5 » 1928
» » 5 » 1931	1941—1990 D P	1941	25/2—25/8	109¾	109¼	109¼	109¼	109¾	» » 5 » 1931
Svenska Bostadskreditkassan[3] 3½ » 1934	1944—1974 D P	15/10 1944	15/4—15/10	—	—	—	99	100	*Svenska Bostadskreditkassan*[3] 3½ » 1934
» » 5 » 1930	1940—1970 D P	15/7 1940	15/1—15/7	108½	107	—	109	109	» » 5 » 1930
» » 5 » 1932	1942—1972 D P	15/1 1942	15/1—15/7	108¾	107½	108½	109	110	» » 5 » 1932
Svenska Skeppshypotekskassan[4] (No. 1) 5 » 1930	Maturity *Rückzahlung* 1/3 1950	1/3 1940	1/3— 1/9	108	106	106¾	107	107¼	*Svenska Skeppshypotekskassan*[4] (No. 1) 5 » 1930
» (No. 2) 5 » 1931	» » 1/12 1951	1/12 1941	1/6— 1/12	108¼	106	106¾	107	107¼	» (No. 2) 5 » 1931
Sthlms Int. Gar. A.-B. (The Mortgage Bank of Stockholm Ltd) 3 » 1934	1944—1993 D P	1/12 1944	1/6— 1/12	91	—	—	92	—	Sthlms Int. Gar. A.-B. (*Stockholmer Hypotheken-Garantie A. G.*) 3 » 1934
» » 4½ » 1928	1938—1987 D P	1/9 1938	1/2— 1/8	103½	—	—	103¾	103½	» » 4½ » 1928
» » 4½ » 1931	1941—1990 D P	15/1 1941	15/1—15/7	106¾	104½	—	106½	107	» » 4½ » 1931
Sv. Obligationskredit A.-B.[5] Ser. IV 6½ » 1924	1925—1949 D P	15/10 »	15/4—15/10	85	86	89	92	97½	Sv. Obligationskredit A.-B.[5] Ser. IV 6½ » 1924
» » » V 6 » 1930	1932—1957 D P	1935	2/1— 2/7	82¼	79	83	85	90	» » » V 6 » 1930
» » » VI 6 » 1930	1931—1968 D P	1/12 1940	1/6— 1/12	78	79	80	81	84	» » » VI 6 » 1930
» » » VII 4½ » 1935	1939—1/12 1959 D P	1/12 1944	1/6— 1/12	—	98	99	100	100	» » » VII 4½ » 1935
	Twice a year. *Zweimal jährlich.*								
City of Stockholm 3½ » 1905	1906—1949 D P	1915	15/3—15/9	101	100½	101¼	102	101½	*Stadt Stockholm* 3½ » 1905
» » 3½ » 1909	1910—1949 D P	1919	15/6—15/12	101	100½	101½	102	101½	» » 3½ » 1909
» » 4 » 1880	1881—1936 D		15/6—15/12	102	101½	101½	101½	101	» » 4 » 1880
» » 4 » 1908	1909—1948 D P	1918	15/2—15/8	102½	101½	102½	103	103	» » 4 » 1908

[1] After 15/5 1941. — *Vom 15/5 1941 an.*

[2] After 15/4 1944. — *Vom 15/4 1944 an.*

[3] The Residential Mortgage Bank of Sweden, founded in 1929, is the central organization of a number of local credit associations having for object to grant loans to their members against mortgages on houses. It has a guaranty fund of 30 mill. Kr. in 4½ % Government bonds placed at its disposal by the Government. — *Schwedische Wohnungshypotheken-Kasse, die im Jahre 1929 gegründet wurde, ist das Zentralinstitut einer Anzahl lokaler Kreditkassen, die den Zweck haben, an ihre Mitglieder Anleihen gegen Haushypotheken zu bewilligen. Die Bank hat einen Garantiefonds von 30 Mill. Kr. in 4½ % Schwed. Staatsobligationen, die vom Staate zu ihrer Verfügung gestellt wurden.*

[4] The Swedish Ship Mortgage Bank, founded in 1929, has for object to grant loans against mortgages on Swedish ships. As a guaranty fund for the Bank the Government has placed at its disposal Swedish Government bonds for 10 mill. Kr. — *Der Zweck der Schwedischen Schiffshypotheken-Kasse, die im Jahre 1929 gegründet wurde, ist gegen Sicherheit von Hypotheken auf schwedische Schiffe Anleihen zu gewähren. Als Grundfonds für die Kasse stellt der Staat schwedische Staatsobligationen im Betrage von 10 Mill. Kr. zur Verfügung.*

[5] The Svenska Obligationskredit A.-B. is a joint stock company established by four leading Swedish banks for the purpose of negotiating credits preferably with foreign countries. Its share capital amounts to Kr. 10 000 000. The series IV is secured by 7 % German Govt. bonds of 1924, the series V by 7 % Austrian Govt. bonds of 1930, the series VI by 6 % Greek Govt. bonds of 1931 and the series VII by 4½ % Austrian Govt. bonds of 1935. — *Die Svenska Obligationskredit A.-B. ist eine von vier leitenden Banken Schwedens gegründete Aktiengesellschaft, welche die Vermittlung von Krediten vorzugsweise mit dem Ausland bezweckt. Ihr Aktienkapital beträgt Kr. 10 000 000. Die Sicherheit für Serie IV besteht aus 7 % Obl. des Deutschen Reichs von 1924, für Serie V aus 7 % Obl. des Österreichischen Staates von 1930, für Serie VI aus 6 % Obl. des Griechischen Staates von 1931 und für Serie VII aus 4½ % Obl. des Österreichischen Staates von 1935.*

* **Amortization-dates underlined.** — ***Tilgungstermine unterstrichen.***

Quoted on the Stock Exchange	Terms of Redemption *Tilgungsmodalitäten* D = Drawings *Auslosung* P = Purchase *Rückkauf* R = Perpetual Loan *Staatsrente*	Redeemable in Whole *Konvertibel*	Interest Dates *Zinstermine* *	Prices (bid) *Notierungen (Geld)* 1935 1/10	29/10	29/11	30/12	14/1	*An der Börse eingeführt*
City of Stockholm 4½ % 1913	1914—1952 D P	1923	15/6—15/12	102½	102	103	103¼	103	*Stadt Stockholm* 4½ % 1913
» » 4½ » 1931	1932—1971 D P	15/5 1941	15/5—15/11	106	105	105½	106	106	» » 4½ » 1931
» » Conv. 5 » 1918	1919—1958 D P	15/10 1938	15/4—15/10	105	104	104½	105	105	» » *Konv.* 5 » 1918
» » » 5 » 1918	1919—1958 D P	15/3 1939	15/3—15/9	105	—	104½	105	—	» » » 5 » 1918
» » 5 » 1932	1933—1962 D P	15/3 1942	15/3—15/9	106	105	106	107	107	» » 5 » 1932
City of Gothenburg 4 » 1906	1907—1946 D P	1916	15/4—15/10	101¼	100½	—	101	101	*Stadt Gotenburg* 4 » 1906
» » 4 » 1922 conv.	1923—1956 D P	31/12 1943	30/6—31/12	104	102	—	103½	104	» » 4 » 1922 *konv.*
City of Malmö 4 » 1905	1906—1945 D	1915	1/4— 1/10	101	100½	—	101	101	*Stadt Malmö* 4 » 1905
Bergslagernas Järnvägs A.-B. (Railway) 4 » 1898 conv.	1912—1961 D at 110 % *zu 110 %*		15/1—15/7	105	104	105	105	106½	Bergslagernas Järnvägs A.-B. (*Eisenbahn*) 4 » 1898 *konv.*
Trafik A.-B. Grängesberg—Oxelösund (Iron Ore) 4½ » 1930	1935—1960 D	15/11 1940	15/5—15/11	104	103	—	104	104	Trafik A.-B. Grängesberg—Oxelösund (*Eisenerz*) 4½ » 1930
» » 5½ » 1932	1937—1952 D	1/5 1942	1/5— 1/11	106	105½	106	107	107	» » 5½ » 1932
Luossavaara—Kiirunavaara A.-B. (Iron Ore) 4½ » 1930 [1]	1931—1955 D	15/4 1940	15/4—15/10	104	102½	103½	104	103¾	Luossavaara—Kiirunavaara A.-B. (*Eisenerz*) 4½ » 1930 [1]
» » » 5 » 1928 [1]	1938—1953 D	1/12 1938	1/6— 1/12	104½	103	104	104	104	» » » 5 » 1928 [1]
Holmens Bruks & Fabr. A.-B. (Paper, Pulp and Cottongoods) 5 » 1926	1932—1951 D	1/10 1936	1/4— 1/10	101½	—	—	101	—	Holmens Bruks & Fabr. A.-B. (*Papier, Holzmasse u. Baumwollwaren*) 5 » 1926
Telefon A.-B. L. M. Ericsson (Telephones) 6 » 1927	1928—1947 D	15/10 1937	15/4—15/10	104	102¾	103¼	103¾	104	Telefon A.-B. L. M. Ericsson (*Fernsprecher*) 6 » 1927
Uddeholms A.-B. (Wood and Iron products) 4½ » 1930	1940—1970 D	1/12 1940	1/6—1/12	106	104	104	105	105½	Uddeholms A.-B. (*Eisen- u. Holzwaren*) 4½ » 1930
» » 5 » 1921 conv.	1931—1953 D	15/3 1939	15/3—15/9	105	104	104	104	104¾	» » 5 » 1921 *konv.*
Not quoted on the Stock Exchange				Approximate Prices (bid) *Approx. Kurse (Geld)*					***An der Börse nicht eingeführt***
Allmänna Svenska Elektriska A.-B. (ASEA) (Electrical Machinery) 5 % 1929	1930—1954 D	1/3 1939	1/3— 1/9	105	104	104	104	104½	Allmänna Svenska Elektriska A.-B. (ASEA) (*Elektrische Maschinen*) 5 % 1929
Kramfors A.-B. (Pulp and Timber) 5 » 1928	1933—1952 D	15/6 1938	15/6—15/12	104½	103	103	103	103	Kramfors A.-B. (*Holzmasse und Holz*) 5 » 1928
Marma-Långrörs A.-B. (Pulp and Timber) 4 » 1935	1940—1955 D	1/10 1945	1/4—1/10	102	100½	101	101	101½	Marma-Långrörs A.-B. (Holzmasse und Holz) 4 » 1935
Rederi A.-B. Svenska Lloyd (Shipping) 6½ % 1920 conv.	1928—1942 D		15/3—15/9	104	103½	103½	103	103	Rederi A.-B. Svenska Lloyd (*Reederei*) 6½ % 1920 *konv.*
Svenska Tändsticks A.-B. (Matches) 5 % 1931	1936—1956 D	2/1 1941	2/1— 2/7	93½	93½	95½	96	98¼	Svenska Tändsticks A.-B. (*Zündhölzer*) 5 % 1931
Telefon A.-B. L. M. Ericsson (Telephones), Registered certificates 5½ » 1931	1941—1951 D	15/6 1936 [3]	15/6—15/12	98½	98¼	100½	101¼	103	Telefon A.-B. L. M. Ericsson (*Fernsprecher*), *Schuldverschreibungen* 5½ » 1931
Skandinaviska Kredit A.-B., Registered certificates 5½ » 1925	Maturity *Rückzahlung* 15/6 1940	1935 [2]	15/6—15/12	103½	104½	104½	104½	104½	Skandinaviska Kredit A.-B., *Schuldverschreibungen* 5½ » 1925

[1] Guaranteed by the Trafik A.-B. Grängesberg—Oxelösund. — *Mit Bürgschaft der Trafik A.-B. Grängesberg—Oxelösund.* — [2] Redeemable in whole or in part on or after June 15th, 1935, at 103 %. — *Die Bank behält sich das Recht vor, die Schuldverschreibungen vom 15. Juni 1935 an, ganz oder teilweise, zum Kurse von 103 % einzulösen.* — [3] The company has the right to redeem the loan in 1936 at 105 %, in 1937 at 104 %, in 1938 at 103 %, in 1939 at 102 %, in 1940 at 101 %, in 1941 and thereafter at 100 %. — *Die Gesellschaft ist berechtigt, die Anleihe im Jahre 1936 zu 105 %, 1937 zu 104 %, 1938 zu 103 %, 1939 zu 102 %, 1940 zu 101 % und in folgenden Jahren zu 100 % einzulösen.*

* **Amortization-dates underlined.** — *Tilgungstermine unterstrichen.*

Quotations of Foreign Bonds. — *Kursnotierungen für ausländische Obligationen.*

In percentage; ex interest. — *In %, exclusive Zinsen.*

Quoted on the Stock Exchange	Terms of Redemption *Tilgungsmodalitäten* D = Drawings *Auslosung* P = Purchase *Rückkauf* R = Perpetual Loan *Staatsrente*	Redeemable in Whole *Konvertibel*	Interest Dates *Zinstermine* *	Prices (bid) *Notierungen (Geld)* 1935 1/10	29/10	29/11	30/12	14/1	*An der Börse eingeführt*
Belgium, Kingdom of 7 % 1926	1928—1956 D [1] P	1/11 1936 [1]	1/5— 1/11	106½	105¾	107	106	106	*Belgischer Staat* 7 % 1926
» » » 4½ » 1930 [2]	1936—1985 D	1/11 1936	1/5— 1/11	—	—	—	132	133	» » 4½ » 1930 [2]
Danish Government 5 » 1928 [4]	1933—1958 D P	15/3 1938	15/3—15/9	111¼	119	122½	123	124	*Dänischer Staat* 5 » 1928 [4]
Danish Mortgage Bank 4½ » 1931 [5]	1936—1971 D P	15/3 1941	15/3—15/9	98	102	101½	102¾	103	*Dän. Hypothekenbank* 4½ » 1931 [5]
» » » 5 » 1927 [4]	1933—1967 D P	15/5 1937	15/5—15/11	—	116	110	113	115¼	» » 5 » 1927 [4]
Copenhagen, City of 4½ » 1930 [6]	1931—1970 D P	1/10 1941	1/6— 1/12	—	—	98½	99½	101	*Stadt Kopenhagen* 4½ » 1930 [6]
Finnish Government 4½ » 1934	1935—1944 D P	—	1/4—1/10	101¾	101¾	102	102¾	102½	*Finl. Staat* 4½ » 1934
Finnish Mortgage Association 6½ » 1929 [3]	1930—1959 D	1/6 1939	1/6— 1/12	105¾	105	105½	105	105½	*Finl. Hypothekenvereinigung* 6½ » 1929 [3]
Norwegian Government 3½ » 1935	1936—1950 D	15/6 1940	15/6—15/12	—	—	—	97	97	*Norwegischer Staat* 3½ » 1935
Municipal Bank of Norway, Ser. I 5½ » 1929 [3]	1932—1969 D P	1/9 1939	1/3— 1/9	104	103	104	104	104	*Norw. Kommunalbank* Ser I 5½ » 1929 [3]
Municipal Bank of Norway, Ser. II 5½ » 1929 [3]	1932—1969 D P	1/10 1939	1/4— 1/10	104	103¼	104	104¼	104	» » » II 5½ » 1929 [3]
Municipal Bank of Norway 5 » 1930 [3]	1935—1970 D P	1/6 1940	1/6— 1/12	103¾	103¼	103¼	104	104¼	*Norw. Kommunalbank* 5 » 1930 [3]
» » » 4 » 1934 [3]	1935—1954 D P	1/12 1939	1/6— 1/12	100¼	—	100¾	101	101¾	» » 4 » 1934 [3]
German Govt. (Young-Loan) 5½ » 1930	1931—1965 D P	1935	1/6— 1/12	34 7/8	35¼ 7/8	42 7/8	39½ 7/8	40 7/8	*Deutscher Staat (Young-Anleihe)* 5½ » 1930

[1] At 105 per cent. — *Zu 105 Prozent.* — [2] The bonds are issued also for Dutch guilders and Swiss francs. — *Die Obligationen lauten auch auf Holländische Gulden und Schweizerfranc.* — [3] Guaranteed by the Government. — *Mit Bürgschaft des Staates.* — [4] Issued also for £, H.Fl. and D. Kr. — *Lauten auch auf £, H.Fl. und D. Kr.* — [5] Issued also for £ — *Lauten auch auf £* — [6] Price in the open market. Since 2nd of December, 1935, again officially quoted. — *Ausserbörsliche Notierung. Seit dem 2. Dezember 1935 wieder auf Börse notiert.*

* **Amortization-dates underlined.** — *Tilgungstermine unterstrichen.*

Quotations of Swedish Shares. — *Kursnotierungen für schwedische Aktien.*

Quoted on the Stock Exchange	Share Capital *Aktien-kapital*	Nom. Value *Nenn-wert*	Dividends *Dividende* [1]			Prices (bid) *Notierungen (Geld)* 1935					*An der Börse eingeführt*
			1933	1934	1935	30/9	31/10	30/11	30/12	14/1	
Industrial and Miscellaneous Shares.	Mill. Kr.	Kr.	Kronor			Kronor					***Industrie- und diverse Aktien.***
A.-B. Bofors (War Materials)	19.8	100	4	7	9	153	168	178	189	196	A.-B. Bofors (*Kriegsmaterial*)
» Elektrolux (Vacuum Cleaners) Series A	6	100	8	8	+5 3/4	165	175	180	180	188	» Elektrolux (*Staubsauger*) *Ser. A*
» B	54	100	8	8	+5 3/4	163	176	180	182	190	» *B*
» Investor (Holding Company)	36	500	20	20	20	502	515	542	546	575	» Investor (*Holdinggesellschaft*)
» Nordiska Kompaniet Pref.	6	50	3	3	3	56	56	57.50	58.50	56	» Nordiska Kompaniet *Vorzugs-Aktien*
(Department Store) Ord.	19	50	1.50	—	1.50	33.50	36	36	38	38	(*Warenhaus*) *Stamm-Aktien*
» Separator (Milk Separators) Ord. A	42	100	—	—	3	69.50	81	85	88.50	89.50	» Separator (*Separatoren*) *Stamm-Aktien A*
» B	39.7	100	—	—	3	69.50	81.50	85	89	90	» *B*
» Stockholms Bryggerier (Brewery)	29.6	100	15	15	15	298	298	301	305	[2] 294	» Stockholms Bryggerier (*Brauerei*)
» Svenska Kullager-fabriken (SKF) Series A	76	100	7	8	58	189	199	200	203	207	» Svenska Kullager-fabriken (SKF) *Ser. A*
» B	32.21	100	7	8	58	197	205	208	208	212	» *B*
(Ball Bearings) » B, stamped [6]	21.79	100	7	8	58	—	—	200	198	202	(*Kugellager*) » *B, gestempelt* [6]
» Svenska Metallverken (Metal Products)	12.1	60	—	2.40	4.20	73.50	77.50	77	78.50	80.50	» Svenska Metallverken (*Metallwaren*)
» Sveriges Litografiska Tryckerier (Lithographical Printers) Pref.	12	100	7	7	7	133	130	133	131	132	» Sveriges Litografiska Tryckerier (*Lithographische Druckereien*) *Vorzugs-Aktien*
Ord. A	16	100	4	4	6	95	100	101	106	107	*Stamm-Aktien A*
» A 1930	11	100	4	4	6	94.50	98	99.50	104	105	» *A 1930*
» B	4.4	100	—	—	2	69	78	78.50	89	92.50	» *B*
Allmänna Svenska Elektriska A.-B. (ASEA) (Electrical Machinery)	75	100	7	6	7	133	137	138	138	143	Allmänna Svenska Elektriska A.-B. (ASEA) (*Elektrische Maschinen*)
Bergvik & Ala Nya A.-B. (Pulp and Timber)	28.13	180	8	10	12	207	206	205	215	212	Bergvik & Ala Nya A.-B. (*Holzmasse und Holz*)
Billeruds A.-B. (Paper, Pulp and Timber)	28.2	100	3	5	6	88	93	96	101	104	Billeruds A.-B. (*Papier, Holzmasse und Holz*)
Ford Motor Company A.-B.	5	100	—	—	7	117	124	137	134	140	Ford Motor Company A.-B.
Holmens Bruks- & Fabriks A.-B. Series A	21	100	5	5	5	81.50	82	87	88	87	Holmens Bruks- & Fabriks A.-B. (*Papier, Holzmasse u. Baumwollwaren*) *Ser. A*
(Pulp, Paper and Cotton Goods) » B	13.56	100	5	5	5	81	82	87	88	87	» *B*
Höganäs-Billesholms A.-B. (Coal, Firebrick and Clay Goods)	30	100	3.50	4.50	5	101	105	104	103	106	Höganäs-Billesholms A.-B. (*Kohlen, Feuerfester Ziegel und Tonwaren*)
Kopparbergs o. Hofors' Sågverks A.-B. (Pulp and Timber)	20	100	—	—	5	83	87	89	97	97	Kopparbergs & Hofors' Sågverks A.-B. (*Holzmasse und Holz*)
Korsnäs' Sågverks A.-B. (Paper, Pulp and Timber)	21	500	20	25	25	[4] 600	560	555	600	610	Korsnäs' Sågverks A.-B. (*Papier, Holzmasse u. Holz*)
Linoleum A.-B. Forshaga (Linoleum)	4	50	—	4.80	7.11	[2] 86	90	90	93	96	Linoleum A.-B. Forshaga (*Linoleum*)
Mexikanska Telefon A.-B. Ericsson (Telephone Service) Series A	5.4	180	—	—	—	80	80	80	80	80	Mexikanska Telefon A.-B. Ericsson *Ser. A*
» B	16.2	180	—	—	—	78.50	78.50	77.50	77	77	(*Fernsprecherdienst*) » *B*
			[3]3	[3]3	[3]3						
Sandvikens Jernverks A.-B. (Iron)	16	100	+3	+3	+5	165	175	175	173	184	Sandvikens Jernverks A.-B. (*Eisen*)
Skånska Cement A.-B. (Cement)	10.4	1 000	120	100	100	2100	2150	2330	2110	1825	Skånska Cement A.-B. (*Zement*)
Stora Kopparbergs Bergslags A.-B. (Paper, Pulp, Timber and Iron)	60	100	5	6	7	184	187	187	186	189	Stora Kopparbergs Bergslags A.-B. (*Eisen, Papier, Holzmasse und Holz*)
Svenska A.-B. Gasaccumulator (AGA) (Beacon Lighting etc.) Pref. shares	28.6	100	2	2	3	61.50	69.50	74.50	74.50	78	Svenska A.-B. Gasaccumulator (AGA) (*AGA-Licht etc.*) *Vorzugs-Aktien*
Svenska Sockerfabriks A.-B. (Sugar)	81	60	3.50	3.50	3.50	69	69.50	*66.50	66.50	66	Svenska Sockerfabriks A.-B. (*Zucker*)
Telefon A.-B. L. M. Ericsson (Telephones) Series A	40.33	50	—	—	—	18	19	18.50	19	19	Telefon A.-B. L. M. Ericsson *Ser. A*
» B	60.50	50	—	—	—	18	19	18.50	19	19	(*Fernsprecher*) » *B*
Trafik A.-B. Grängesberg—Oxelösund (Iron Ore)	119	100	—	—	—	68	70.50	70	69	78	Trafik A.-B. Grängesberg—Oxelösund (*Eisenerz*)
Uddeholms A.-B. (Pulp, Timber and Iron)	56	100	2	3	4	91	94	93.50	94.50	98	Uddeholms A.-B. (*Eisen, Holzmasse und Holz*)
Wifstavarfs A.-B. (Pulp and Timber)	14.5	100	4	6	7	135	135	135	142	145	Wifstavarfs A.-B. (*Holzmasse und Holz*)
Railway and Shipping Shares.											***Eisenbahn- und Reederei-Aktien.***
A.-B. Svenska Amerika Linien (Shipping)	24	100	3	—	—	41	41	39	38.50	40	A.-B. Svenska Amerika Linien (*Reederei*)
Bergslagernas Järnvägs A.-B. (Railway)	25.15	200	—	—	6	135	137	141	133	140	Bergslagernas Järnvägs A.-B. (*Eisenbahn*)
Stockholms Rederi A.-B. Svea (Shipping)	17.64	30	—	—	1.50	32.50	34	32.50	33.50	34	Stockholms Rederi A.-B. Svea (*Reederei*)
Bank Shares.											***Bank-Aktien.***
A.-B. Göteborgs Bank	*43.75	125	—	—	—	116	116	115	121	119	A.-B. Göteborgs Bank
» Svenska Handelsbanken	*137	100	6	6	7	147	152	154	159	157	» Svenska Handelsbanken
Skandinaviska Kredit A.-B.	*132	142	—	8	8	195	198	199	207	201	Skandinaviska Kredit A.-B.
			[3] 50	[3] 50	[3] 50						
Stockholms Enskilda Bank A.-B.	*100	1 000	+100	+100	+100	3750	3790	3775	3790	3790	Stockholms Enskilda Bank A.-B.
Stockholms Intecknings Garanti A.-B.	* 35	300	40	40	40	860	875	[4] 890	850	850	Stockholms Intecknings Garanti A.-B.

[1] Refer to dividends paid for the preceding financial year. — *Bezieht sich auf Dividenden, die für das vorgehende Geschäftsjahr bezahlt worden sind.* — [2] Ex dividend. — *Abzügl. Dividende.* — [3] Interim dividend. — *Vorschusszahlung.* — [4] Selling rate. — *Briefkurs.* — [5] Plus 1/5 share in the A.-B. Volvo of nom. Kr 50: —. — *Zuzüglich 1/5 Aktie in der A.-B. Volvo von nom. Kr. 50: —.* — [6] Not acquirable by aliens. — *Nicht von Ausländern erwerblich.*

* **Paid-up capital and reserves.** — ***Grundkapital und Reserven.***

SKANDINAVISKA KREDITAKTIEBOLAGET

STOCKHOLM, 16

MEMBER OF THE STOCKHOLM STOCK EXCHANGE

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Telegrammadresse: Kreditbolaget

Stockholm 1936. Kgl. Boktr. P. A. Norstedt & Söner 354188

SKANDINAVISKA KREDITAKTIEBOLAGET

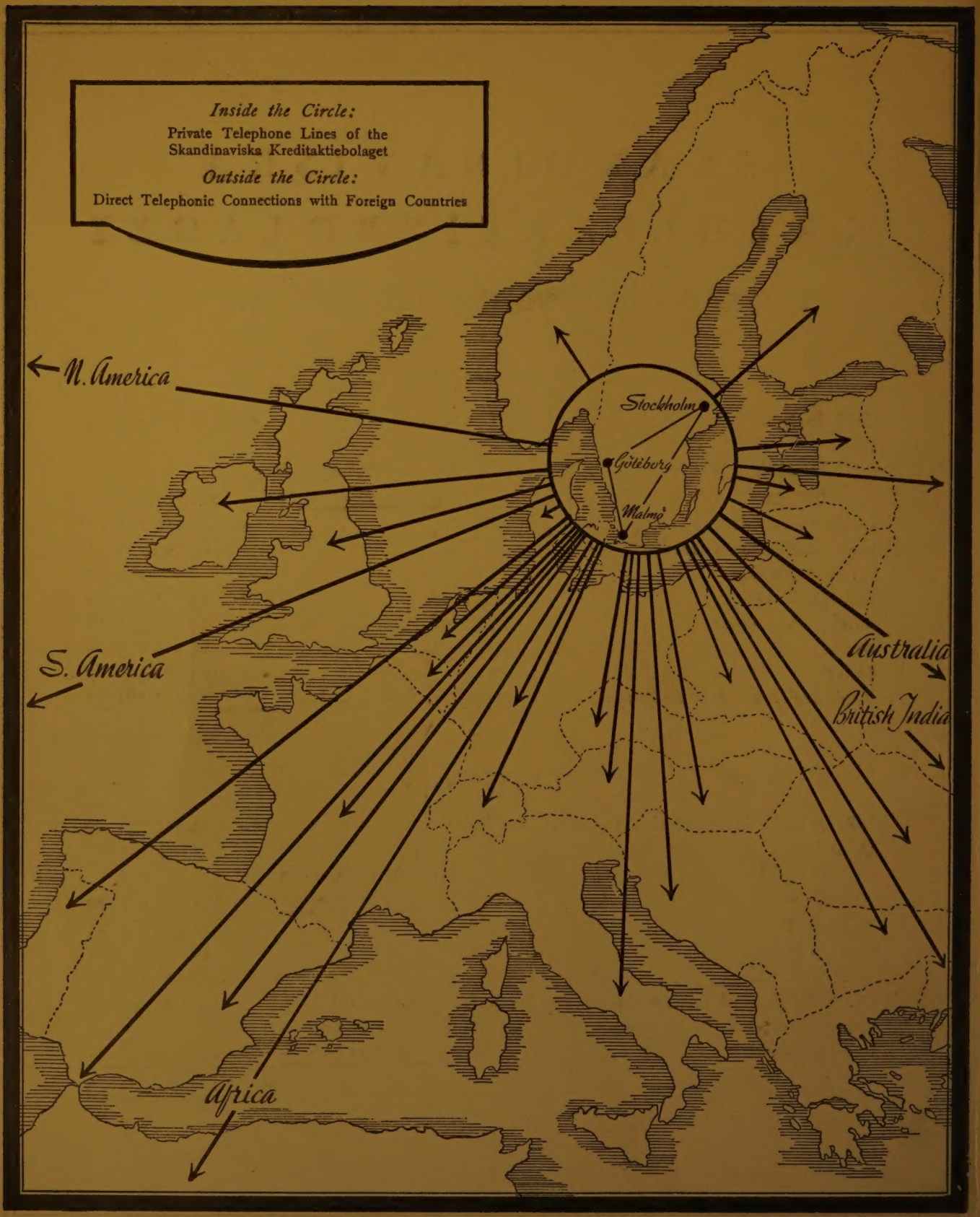
STATEMENT OF CONDITION DECEMBER, 31st, 1935

Assets

Cash in hand		Kr. 107.486.543: 94
Bills:		
Swedish	Kr. 240.898.157: 46	
Foreign	» 21.829.520: 70	» 262.727.678: 16
Loans (secured)		» 375.263.621: 72
Current Accounts (secured)		» 65.399.776: 61
Swedish Banks		» 8.303.189: 05
Foreign Banks		» 12.651.141: 86
Sundry Accounts		» 34.643.431: 78
Bonds		» 68.250.045: 50
Shares		» 194.470.531: 67
Bank Buildings & Furniture		» 15.721.161: 50
		Kr. 1.144.917.121: 79

Liabilities

Bills at sight in circulation (»postremiss» bills)		Kr. 15.417.331: 79
Deposits:		
at sight	Kr. 162.109.900: 62	
at notice	» 529.358.006: 92	» 691.467.907: 54
Swedish Banks		» 41.175.523: 24
Foreign Banks		» 18.685.233: 42
Sundry Accounts		» 96.171.125: 80
5½ % Registered Certificates of the Bank (»Förlagsbevis»)		» 150.000.000: —
Share Capital	Kr. 87.188.000: —	
Reserve Fund	» 44.812.000: —	» 132.000.000: —
		Kr. 1.144.917.121: 79


Inside the Circle:
Private Telephone Lines of the
Skandinaviska Kreditaktiebolaget
Outside the Circle:
Direct Telephonic Connections with Foreign Countries
N. America
S. America
Africa
Australia
British India
Stockholm
Göteborg
Malmö